

Oldham Borough Council



**Budget Council Meeting
Wednesday 24 February 2016**

OLDHAM BOROUGH COUNCIL

To: ALL MEMBERS OF OLDHAM BOROUGH COUNCIL,
CIVIC CENTRE, OLDHAM

Tuesday, 16 February 2016

You are hereby summoned to attend a meeting of the Council which will be held on Wednesday 24 February 2016 at 6.00 pm in the Council Chamber, Civic Centre, for the following purposes:

- 1 To receive apologies for absence
- 2 To receive declarations of interest in any matter to be determined at the meeting
- 3 To note the Minutes of the Budget Cabinet Meeting held on the 11th February 2016 and to consider the recommendations of Cabinet in relation to the Budget for 2016/17 further to the following attached reports: (Pages 1 - 680)
 - a) Treasury Management Strategy Statement 2016/17
 - b) Capital Strategy and Capital Programme 2016/21
 - c) Housing Revenue Account Estimates for 2015/16 to 2020/21
 - d) Statement of the Financial Officer on Reserves, Robustness of the Estimates and Prudence of Capital Investments
 - e) (i) Administration Budget Report 2016/17
(ii) Main Opposition Budget Report 2016/17
 - f) Medium Term Financial Strategy 2016/17 to 2020/21
 - g) Treasury Management Half Year Review 2015/16

And if thought fit, pass the following resolutions:

- 1 That it be noted that on 25 January 2016, the following amounts were approved by the Cabinet as the Council's Council Tax Base for the financial year 2016/17:
 - (a) 54,406 for the whole Council area [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
 - (b) 8,389 for dwellings in the Saddleworth Parish area to which a Parish precept relates
 - (c) 5,305 for dwellings in the Shaw and Crompton Parish area to which a Parish precept relates
- 2 That the Council Meeting approve the Council Tax Requirement for the Council's own purposes for 2016/17 (excluding Parish precepts) as being £78,588,379
- 3 That the following amounts be calculated by the Council for the year 2016/17 in accordance with sections 31A to 36 of the Local Government Finance Act 1992:

- (a) £607,726,471 being the aggregate of the amounts which the Council estimates for the items set out in section 31A(2) of the Act taking into account any Precepts for the Saddleworth and Shaw & Crompton Parish areas
- (b) £528,892,476 being the aggregate of the amounts which the Council estimates for the items set out in section 31A(3) of the Act
- (c) £78,833,995 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with section 31A(4) of the Act, as its Council Tax Requirement for the year (Item R in the formula in Section 31B of the Act).
- (d) £1,448.99 being the amount at 3(c) above, all divided by Item T (1(a) above), calculated by the Council, in accordance with section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts)
- (e) £245,616 being the aggregate amount of all special items referred to in section 34(1) of the Act, being the Saddleworth and Shaw & Crompton Parish precepts.
- (f) £1,444.48 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by the amount by Item T (1(a) above), calculated by the Council, in accordance with section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates.
- (g) £1,463.83 Saddleworth Parish area
being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned at 3(e) above divided by the amount at 1(b) above, calculated by the Council, in accordance with section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate
- (h) £1,460.18 Shaw & Crompton Parish area
being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned at 3(e) above divided by the amount at 1(b) above, calculated by the Council, in accordance with section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its

area to which one or more special items relate.

- 4 That it be noted that for the year 2016/17 the Police and Crime Commissioner for Greater Manchester and the Greater Manchester Fire and Rescue Authority have issued precepts to the Council in accordance with section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below.

- 5 That the Council, in accordance with Sections 30 to 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2016/17 for each part of its area and for each of the categories of dwellings.

Authority/Parish	Council Tax Bands (£)							
	A	B	C	D	E	F	G	H
Oldham Council	962.99	1,123.48	1,283.98	1,444.48	1,765.48	2,086.47	2,407.47	2,888.96
PCCGM Precept	104.87	122.34	139.82	157.30	192.26	227.21	262.17	314.60
GM Fire and Rescue Authority Precept	39.18	45.71	52.24	58.78	71.84	84.90	97.96	117.56
Saddleworth Parish Precept	12.90	15.05	17.20	19.35	23.65	27.95	32.25	38.70
Shaw and Crompton Parish Precept	10.47	12.21	13.96	15.70	19.19	22.68	26.17	31.40

AGGREGATE OF COUNCIL TAX REQUIREMENTS

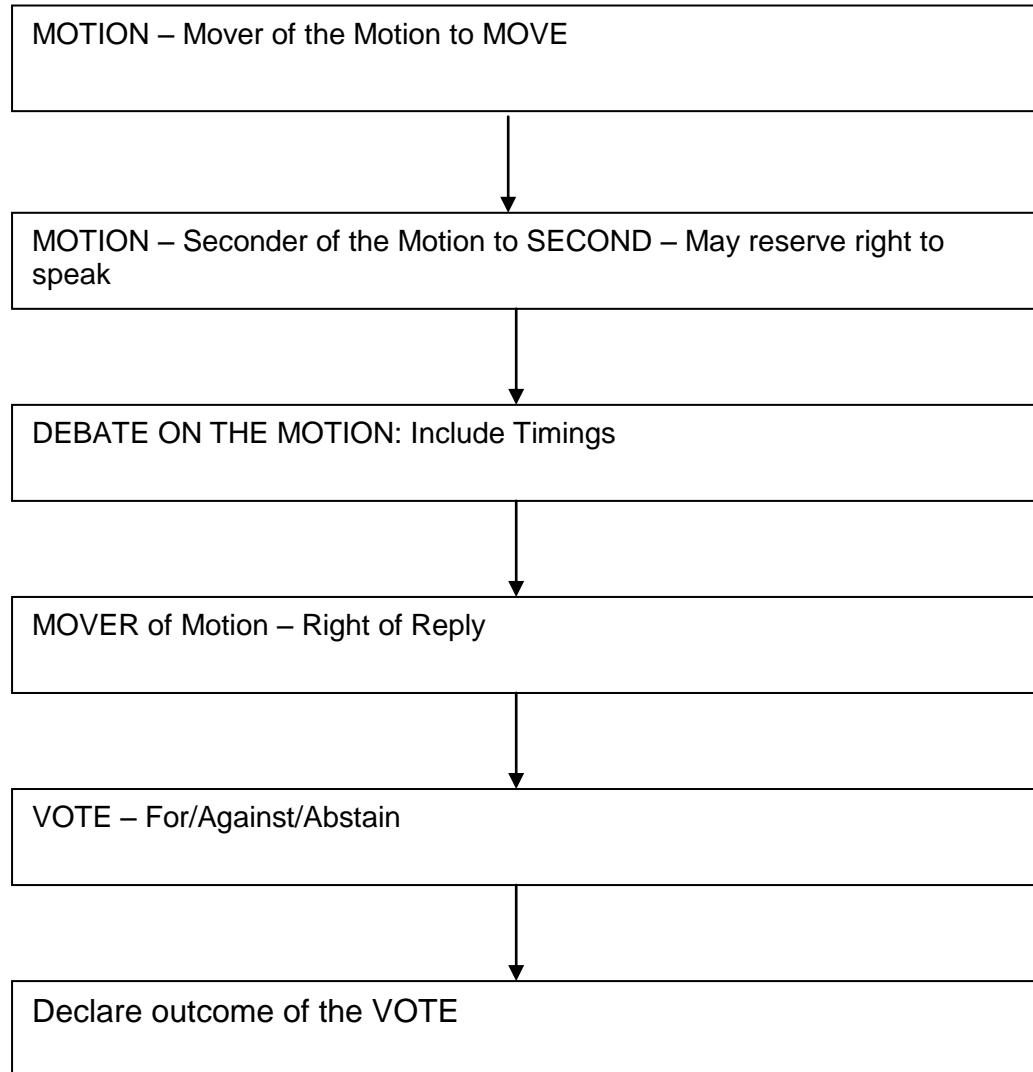
Authority/Parish	Council Tax Bands (£)							
	A	B	C	D	E	F	G	H
Saddleworth Parish Area	1,119.94	1,306.58	1,493.24	1,679.91	2,053.23	2,426.53	2,799.85	3,359.82
Shaw & Crompton Parish Area	1,117.51	1,303.74	1,490.00	1,676.26	2,048.77	2,421.26	2,793.77	3,352.52
All other parts of the Council's area	1,107.04	1,291.53	1,476.04	1,660.56	2,029.58	2,398.58	2,767.60	3,321.12

NOTE: The meeting of the Council will conclude 3 hours and 30 minutes after the commencement of the meeting.



**Carolyn Wilkins
Chief Executive**

PROCEDURE FOR NOTICE OF MOTIONS
NO AMENDMENT

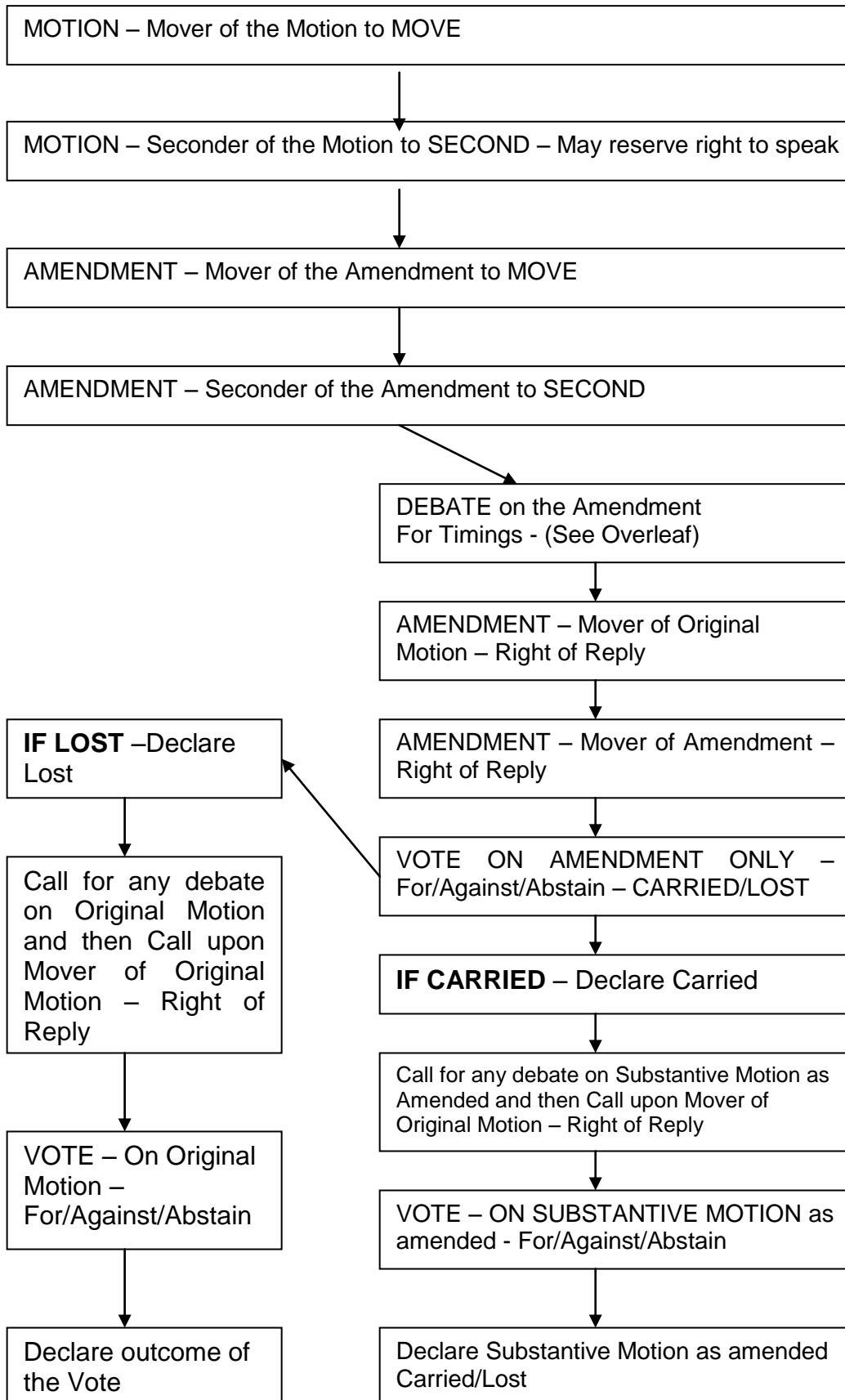


RULE ON TIMINGS

(a) No Member shall speak longer than four minutes on any **Motion or Amendment**, or by way of question, observation or reply, unless by consent of the Members of the Council present, he/she is allowed an extension, in which case only one extension of 30 seconds shall be allowed.

(b) A Member replying to more than question will have up to six minutes to reply to each question with an extension of 1 minute.

WITH AMENDMENT



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Public Document Pack Agenda Item 3

CABINET
11/02/2016 at 6.00 pm

Present: Councillors Stretton (Chair)
Councillors Akhtar, Brownridge, Jabbar and Shah

1 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Harrison and Hibbert.

2 **URGENT BUSINESS**

There were no items of urgent business received.

3 **DECLARATIONS OF INTEREST**

Councillors Jabbar declared a personal interest in Item 13 by virtue of his appointment by Full Council to the Unity Partnership Ltd - JVCo Board and Councillor Stretton declared a personal interest in Item 13 by virtue of her appointment by Full Council to the Unity Partnership Ltd.

4 **PUBLIC QUESTION TIME**

There were no public questions received.

5 **DRAFT PERFORMANCE AND VALUE FOR MONEY
SELECT COMMITTEE MINUTES - ADMINISTRATION
BUDGET PROPOSALS 21ST JANUARY 2016**

RESOLVED – That the deliberations and comments of the Performance and Value for Money Committee held on the 21st January 2016 be noted.

6 **DRAFT PERFORMANCE AND VALUE FOR MONEY
SELECT COMMITTEE MINUTES - OPPOSITION BUDGET
PROPOSALS 2ND FEBRUARY 2016**

RESOLVED – That the deliberations and comments of the Performance and Value for Money Committee held on the 2nd February 2016 be noted.

7 **REVENUE MONITOR 2015/16 MONTH 8 – NOVEMBER
2015**

The Cabinet gave consideration to a report of the Director of Finance which provided Members with an update on the Council's 2015/16 revenue budget position forecast for the year end, for month 8.

It was reported that the current position for 2015/16 was a projected underspend of £445k following Cabinet approval of reserve transfers as detailed at Section 7 and Appendix 2 of the report.

The current position was in accordance with the Council's normal practice of setting the budget and the Council would move to a balanced position by the end of the financial year. Options/Alternatives considered

Option 1 – Not to approve the forecast outturn projection and use of reserves included in the report.

Option 2 – To approve some of the forecast outturn projection and use of reserves included in the report.

Option 3 – Approval of the forecast outturn projection and use of reserves included in the report.

RESOLVED – That:

1. The forecast position of the end of Month 8 being a projected underspend of £445k be approved.
2. The forecast positions for both the Housing Revenue Account and Collection Fund be approved.
3. The use of reserves as detailed at section 7 of the report be approved.

8

CAPITAL INVESTMENT PROGRAMME 2015/16

Consideration was given to a report of the Director of Finance, which sought to provide the Cabinet with details of the financial position of the Capital Programme at the end on Month 8 2015/16.

It was reported that since month 6, appropriate approvals had been made under delegated powers together with other approved amendments in month 7. It had reduced the revised budget total by £5.098m; further virements pending approval for month 8 reduced the forecast by a further £1.755m to a projected £78.358.

The current project managers forecast outturn position for 2015/16 predicted expenditure of £78.354m, a movement of £6.749m from the last reported forecast position at month 6 and a slight net reduction of £0.004m from the revised budget position. The majority of this small reduction would be re-profiled into later years. The annual review of the capital programme had recently been completed, having identified 3.021m of resources that could be released for reallocation to other projects.

Options/Alternatives considered

Option 1 - To approve all the changes included in the report.

Option 2 - To approve some of the changes included in the report.

Option 3 - Not to approve any of the changes included in the report

RESOLVED - That:

1. The revised capital budget for 2015/16 at the end of month 8 be approved.
2. The proposed budget movements detailed in Appendix G to the report be approved.
3. The outcome of the 2015/16 Annual Review of the Capital Programme detailed in appendix H be approved.

9

STATEMENT OF THE CHIEF FINANCIAL OFFICER ON RESERVES, ROBUSTNESS OF THE ESTIMATES AND AFFORDABILITY AND PRUDENCE OF CAPITAL INVESTMENTS

The Cabinet gave consideration to a report of the Director of Finance (Chief Financial) that was prepared in accordance with

Section 25 of the Local Government Act 2003 to report on the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed reserves. The report provided information to address this requirement and also included the Director of Finance's consideration of the affordability and prudence of capital investment proposals. It was reported that Members could be assured that the Council continued to be well placed to meet the challenging financial future facing Local Authorities and that the Council was preparing a two year revenue budget within a five year Medium Term Financial Strategy (MTFS), a five year approved capital programme and an early closure of accounts.

This would allow early focus on the coming challenges and a robust financial transformation programme.

Options/Alternatives considered

The Cabinet could comment on the recommendations of the report however Members had a statutory duty to have regard to the Chief Financial Officer's report on the robustness of the estimates and the adequacy of the proposed financial reserves when making decisions.

The robustness of the estimates and reserves were satisfactory, however this was only the case provided the action necessary were taken to ensure the balances were set at the level recommended, that all budget options or in year alternatives were delivered as planned and monitored.

RESOLVED – That:

1. The General Balances currently calculated for 2016/17 at £18,557k financed by an element of the underspend reported for the financial year 2015/16 be approved
2. The initial estimate of General Balances to support the 2017/18 and 2018/19 budgets are amounts of £18,393k and £18,143k reflecting the budgetary challenges for these financial years be noted.
3. Submission of the intended report to the Audit Committee at the financial year-end 2015/16 to ensure the Council reserves were subject to appropriate scrutiny, be noted.
4. The actions necessary to secure a properly balanced budget as noted in paragraph 3.5 be approved.
5. The actions necessary to ensure the prudence of the capital investments as noted in paragraph 4.4 be approved.
6. That the report be commended to Council for approval.

10

CAPITAL STRATEGY AND CAPITAL PROGRAMME 2016/21

The Cabinet gave consideration to a report of the Director of Finance which set out the Capital Strategy for 2016/17 to 2020/2021 and thereby the proposed 2016/17 Capital Programme, including identified capital investment priorities together with the indicative capital programme for 2017/21 having regard to the resources available.

It was reported that the Council's Capital Strategy and Programme had been set over a five year timeframe. The

proposed Capital Strategy and Capital Programme for 2016/17 to 2020/2021 had taken the essential elements of previous capital strategies. It was further reported that the regeneration programme was the main focus of Council spending although there had been significant resource allocations for schools and transport expenditure.

Members were advised, the Council had been successful in some bids for Government funding which had helped to support the highways and transport capital programme but the Government has yet to confirm how much resource would be received to support the renewal of Royton and Crompton school. The 2016/21 Capital Strategy took into account local issues, but importantly, the increase and change in the nature of Government funding and the continued uncertainty about the level of funding in future years.

It has been prepared around 16 key principles and also incorporated areas for potential future investment, subject to the availability of resources. The Council's aim was to maximise the use of the available resources and to undertake targeted investment in priority projects.

In overall terms, the Capital Programme included proposed expenditure for 2016/17 of £80.043m, with the largest area of expenditure allocated to the development and infrastructure projects within the Economy and Skills Directorate. Expenditure would be reduced slightly to £78.009m in 2017/18 and reduced further over the final years of the programme. In total, over 5 years, the planned spending was £172.625m.

The main sources of funding were prudential borrowing and Government grants. The revenue consequences of the prudential borrowing were included within the revenue budget projections.

As the Council was awaiting notification of new allocations of Government funding, it was likely that the capital position would change. Therefore the overall Capital Programme position would be kept under review and any new information about funding allocations would be presented to Members as soon as possible.

The Capital Strategy needed to align with the Medium Term Property Strategy which was currently being updated to reflect the most recent service transformation changes and financial challenges.

Options/Alternatives considered

Members had the option to revise the proposed Capital Strategy and Capital Programme and suggest an alternative approach to capital investment including the revision of capital priority areas.

RESOLVED – That:

1. The Capital Strategy for 2016/21 at Appendix 1 of the report and summarised in Section 2.1 of the report be approved.
2. The Capital Programme for 2016/17 and indicative programmes for 2017/18 to 2020/21 as set out in Section 2.2 and Annex C of Appendix 1 to the report be approved.
3. That the report be commended to Council for approval.

**TREASURY MANAGEMENT STRATEGY STATEMENT
2016/17 INCLUDING MINIMUM REVENUE PROVISION
POLICY STATEMENT, ANNUAL INVESTMENT STRATEGY
AND PRUDENTIAL INDICATORS**

Consideration was given to a report of the Director of Finance that outlined the Treasury Management Strategy 2016/17 including Prudential Indicators, the annual Investment Strategy and the Minimum Revenue Provision policy.

It was reported that the strategy for 2016/17 covered two main areas, capital issues and treasury management issues and the report therefore outlined the implications and key factors in relation to each of the two main areas.

It was reported that the Prudential Code, which was a key element of the statutory and regulatory framework, set out the prudential indicators and ratios that the Council must calculate and report on. The aim of the prudential indicators was to ensure that the Council's capital plans were affordable, prudent and sustainable.

All the indicators were set out in the report and demonstrated a satisfactory position.

Options/Alternatives considered

The Council was required to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management the Council and has no option other than to consider and approve the contents of the report.

Therefore no options/alternatives were considered.

RESOLVED – That:

1. The Capital Financing Requirement (CFR) Projections as per paragraph 2.2.3 of the report be approved.
2. The Minimum Revenue Provision policy and method of calculation as per section 2.3 of the report be approved.
3. The projected treasury position as at 31/03/2016 as per paragraph 2.5.3.of the report be approved.
4. The treasury Limits for 2016/17 to 2018/19 as detailed in sections 2.6.2 and 2.6.3 be approved.
5. The Borrowing Strategy for 2016/17 as per section 2.9 of the report be approved.
6. Limits to interest rate exposures as set out in section 2.10.2 of the report be approved.
7. The upper and lower limits on fixed rate debt maturity structure as set out in Section 2.10.3 of the report be approved.
8. The Annual Investment Strategy as per section 2.14 including the investment credit rating criteria and the level of investment in non-specified investments be approved.
9. That the report be commended to Council for approval.

**HOUSING REVENUE ACCOUNT ESTIMATES FOR 2015/16
TO 2020/21**

The Cabinet gave consideration to a report of the Director of Finance which set out the latest Housing Revenue Account (HRA) outturn estimate for 2015/16, the detailed budget for 2016/17 and strategic estimates for the three years 2017/18 through to 2020/21. The report also set out the recommended dwelling and non-dwelling rents and service charges increases to be applied from April 2016.

It was reported that after taking all relevant issues into account, the projected financial position for 2015/16 was estimated to be a £0.350m adverse variance when compared to the original forecast made in February 2015.

Cabinet was advised that with regard to rent setting and therefore the HRA budget for 2016/17, the report had been prepared based on the best understanding of the Welfare Reform and Housing Bill which was moving through the Parliamentary stages. The result of this was that tenants within non-supported housing accommodation would be subject to a 1% rent decrease for a 4 year period consistent with announcements of Government in July 2015, but tenants in supported housing would be subject to a rent increase of CPI at September 2015 plus 1% (an increase of 0.9%).

This position was different than that which had been presented to the Overview and Scrutiny Performance and Value Select Committee at its meeting on 21 January 2015 as the proposed legislation had changed in the intervening period due to strong lobbying. At that meeting, the HRA budget report had been prepared on the basis of a 1% rent reduction (for a four year period) for all Oldham HRA accommodation.

The position as at Monday 11th February 2016 was that it was now expected that all supported housing and PFI properties would be exempt from the four year rent reduction period. All of Oldham's current housing stock was contained within 2 PFI schemes and all would therefore be exempt from the decrease. This amendment was to be included in secondary legislation coming into force before 1 April 2016. The report to Council would be prepared on this basis.

This position was outside the control of the Council as the changes are being made by Government. It is regrettable that this was so late in the process.

It was reported that as a consequence the recommendations of the report required amendment so there was clarity about the rent proposals as this was different to that included in the report before Cabinet.

Options/Alternatives considered

In order that the Council complied with legislative requirements, it must consider and approve an HRA budget for 2016/17. The changes as presented at the meeting were considered.

RESOLVED – That further to the amended recommendations presented to Cabinet:

1. The forecast HRA out-turn for 2015/16 be approved.
2. The proposed HRA budget for 2016/17 (as per Appendix E) be approved.
3. The strategic estimates for 2017/18 to 2020/21 (as per Appendix E) be approved.

4. The proposed increase to dwelling rents for all properties of 0.9% be approved.
5. The proposed increase to non-dwelling rents of 1% be approved.
6. The proposed increase to PFI 2 service charges to continue on previously approved transitional arrangements
7. The proposed increase to PFI 4 service charges to be based on a review of the actual charges incurred.
8. That the report be commended to Council for approval.

13

BUDGET REPORT 2016/17

Consideration was given to a report of the Director of Finance which provided the Cabinet with the current Administration's Budget Report and budget proposals for 2016/17 having regard to the impact of the Provisional Local Government Finance Settlement (PLGFS) and other financial issues.

The budget report followed those presented to and approved by Cabinet last October 2015 and November 2015 which revised the budget gap for 2016/17 and presented Tranche 1 and Tranche 2 budget reduction proposals.

Before Christmas the Council had been able to agree a total of £10.967m of budget proposals towards bridging the revised 2016/17 budget gap.

This report presents to Cabinet:

- the updated budget position after the receipt of the Provisional Local Government Finance Settlement; and
- the final tranche of the Administration's budget reduction proposals totaling £5.077m

The Provisional Settlement was received on 17 December 2015 and allowed the budget projections to be updated with actual Government grant notifications rather than assumptions.

On Monday 8th February 2016, after the issue of the Cabinet papers, we received the Final Settlement. This has confirmed all the funding notifications included with the Provisional Settlement. Additional grant funding notifications were also received but as the Council had not received confirmation of all final levy notifications, the budget could not yet be finalised. All of the updated and revised information would be included in the Council report to be issued on the 16th February 2016.

The Settlement figures contained some important details which had been used to update the 2016/17 budget strategy:

- Firstly it included Government funding figures for 4 years rather than the one year that had been anticipate and whilst years 2 to 4 were indicative at this stage, it would assist in the medium term planning processes
- Secondly, a more favourable grant funding allocation had been received as the Government has reallocated resources to benefit Councils like Oldham with a low Council Tax taxbase and Adults Social Care and Children's Services responsibilities. Whilst this is helpful it was estimated that £12.8m of unringfenced Government grant had been withdrawn between 2015/16 and 2016/17.

- Thirdly, Council Tax Freeze Grant has been discontinued and the Settlement introduced the concept of Core Spending Power which has been used by the Government to assess the Council's spending and resourcing. This assumed that all Councils would increase Council Tax by 1.75% and that a 2% Council Tax Social Care precept would be charged to support the increased costs of Adult Social Care.

Due to the assumptions above it was recommended that Council Tax policy would change and as Council Tax Freeze Grant was no longer an option, an increase of Council Tax for general purposes of 1.7% (slightly below that expected by Central Government) was proposed.

In addition, considerable funding pressures were being experienced in Adult Social Care including the requirement to address increases in the National Living Wage as introduced by the Government. As a consequence, the anticipated cost of addressing these pressures for 2016/17 had been reassessed at £2.7m. It was therefore recommended that the 2% Adult Social Care Precept is introduced to finance this additional cost. The 2% precept will only raise £1.515m towards this £2.7m extra cost. The general increase in Council Tax of 1.7% would generate sufficient resources to finance this remaining cost pressure.

Taking into account revised funding assumptions and revisions to Council estimates of existing budget pressures; it had increased net resources available. There was therefore no longer the requirement to address the £1.955m remaining budget reduction target for which no proposals had been prepared in anticipation of the outcome of the Settlement, and the Council was able to address budget resilience issues which previously had no permanent solution.

All of the remaining £5.077m of budget reduction proposals (final tranche) included within this report were presented for scrutiny at the Overview and Scrutiny Performance and Value for Money (PVFM) Select Committee on 21 January 2016. The Select Committee was content to commend all for consideration and approval by Cabinet.

Assuming all the remaining budget proposals were approved with no further changes, the 2016/17 budget could be balanced. Any final amendments would be included in the budget report to Council on 24 February 2016.

Option Alternatives Considered

Option 1 – Cabinet could approve the budget position, Council Tax proposals and all the budget reduction proposals included in this report to the value of £5.077m and commend this to Council.

Option 2 – Cabinet could make comments on the proposals/information included in this report and request amendments to the budget proposals/revised resource allocations/Council Tax proposals outlined in this paper prior to commending the report

RESOLVED – That:

1. The following recommendations be approved:

- a. The Revised budget position for 2016/17 having regard to the Provisional Local Government Finance Settlement.
 - b. The Net revenue budget for 2016/17 for the Council set at £190.159m (subject to there being no further changes arising from the Final Local Government Finance Settlement and Levy notifications).
 - c. A Council Tax increase of a total of 3.7% resulting in charges as set out in Appendix 8
 - d. The total draw on the Collection Fund for major preceptors of £90.336m for Borough Wide services and £78.588m for Council services (subject to confirmation from preceptors).
 - e. The remaining Tranche 1 budget reduction proposals now that all public consultation stages have been completed (presented in summary at Appendix 1 and in detail at Appendix 2) in the sum of £1.193m.
 - f. The remaining Tranche 2 budget reduction proposals now that all consultation stages have been completed (presented in summary at Appendix 3 and in detail at Appendix 4) in the sum of £1.244m.
 - g. The Tranche 3 budget reduction proposals (presented in summary at Appendix 5 and in detail at Appendix 6) in the sum of £2.640m.
 - h. The information contained within the Equality Impact Assessments also included in Appendices 2, 4 and 6 supporting Tranches 1, 2 and 3.
 - i. The revised budget reduction target for 2017/18 of £20.551m.
 - j. The Fees and Charges schedules at Appendix 9 of the report
 - k. The Pay Policy Statement at Appendix 10 of the report.
2. That all the recommendations within the report be agreed and commended to Council.
 3. That Cabinet noted there was no requirement to hold a referendum on the change to the relevant basic amount of Council Tax
 4. That Cabinet noted the savings target for 2017/18 may need to change as a result of developments during 2016/17.

14

MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2020/21

The Cabinet gave consideration to a report of the Director of Finance which presented the Medium Term Financial Strategy (MTFS) financial years 2016/17 to 2020/21 having regard for the uncertainties around a number of issues including the level of reduction in future funding from Central Government and the consequential changes required from the Council.

It was reported that based on current information and assumptions, trends and demand pressures the Council would

continue to be required to make considerable revenue budget changes over the MTFS period 2016/17 to 2020/21. The budget for 2016/17 was now balanced after the identification of £16.044m of budget reduction proposals.

Current estimates of savings required for 2017/18 would be £20.551m and that over the period 2017/18 to 2020/21 the total budget reduction target would be £66.757m.

The MTFS was subject to scrutiny at the Overview and Scrutiny Performance and Value for Money Select Committee on 21 January 2016. The Committee was content to recommend the MTFS to Cabinet.

Options/Alternatives considered

Option 1 – Adopt the Medium Term Financial Strategy 2016/17 to 2020/21

Option 2 – Allow the existing Medium Term Financial Strategy to remain unchanged.

RESOLVED – That:

1. The Medium Term Financial Strategy 2016/17 to 2020/21 be approved.
2. That the report be commended to Council for approval.

The meeting started at 6.00 pm and ended at 6.36 pm

Report to Council

Treasury Management Strategy Statement 2016/17 Including Minimum Revenue Provision Policy Statement, Annual Investment Strategy and Prudential Indicators

Portfolio Holder: Councillor Jabbar, Cabinet Member for Finance and HR

Officer Contact: Anne Ryans, Director of Finance

Report Author: Andy Cooper, Senior Finance Manager

Ext. 4925

24 February 2016

Reason for Decision

To present to Council the strategy for 2016/17 Treasury Management activities including the Minimum Revenue Provision Policy Statement, the Annual Investment Strategy and Prudential Indicators.

Executive Summary

The report outlines the Treasury Management Strategy for 2016/17 including Prudential Indicators and the Minimum Revenue Provision policy.

The Strategy for 2016/17 covers two main areas.

Capital Issues:

- The Capital Plans and the Prudential Indicators
- The Minimum Revenue Provision (MRP) Policy Statement

Treasury Management Issues:

- The Current Treasury Position
- Treasury Indicators for the three years 2016/17 to 2018/19
- Prospects for Interest Rates
- The Borrowing Requirement
- The Borrowing Strategy
- Policy on Borrowing in Advance of Need
- Debt Rescheduling
- The Investment Strategy
- Creditworthiness Policy
- Policy on 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 2016/17.

The Treasury Management Strategy was presented for scrutiny to the Overview and Scrutiny Performance and Value for Money Select Committee at its meeting on 21 January 2016. The Committee was content to commend the report to Cabinet without amendment who duly considered and approved the report at its meeting on 11 February and commended the report to Council.

Recommendations

Council is requested to approve the;

- Capital Financing Requirement (CFR) Projections as per paragraph 2.2.3
- MRP policy and method of calculation as per section 2.3
- Projected treasury portfolio position as at 31/03/2016 as per paragraph 2.5.3
- Treasury Limits for 2016/17 to 2018/19 as detailed in paragraphs 2.6.2 and 2.6.3
- Borrowing Strategy for 2016/17 as per section 2.9
- Limits to interest rate exposures as set out in section 2.10.2
- Upper and lower limits on fixed rate debt maturity structure as set out in section 2.10.3
- Annual Investment Strategy as per section 2.14 including the investment credit rating criteria and the level of investment in non-specified investments.

Treasury Management Strategy Statement 2016/17 Including Minimum Revenue Provision Policy Statement, Annual Investment Strategy and Prudential Indicators

1 Background

- 1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low investment risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 Treasury management is defined as:
- "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "

Statutory Requirements

- 1.4 The Local Government Act 2003 and supporting regulations require the Council 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. The Act therefore requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

CIPFA Requirements

- 1.5 The Council has adopted the Revised Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management 2011. The primary requirements of the code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's Treasury Management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full Council of an annual Treasury Management Strategy Statement (this report) – which includes:
 - the capital plans of the Council, including prudential indicators;
 - MRP Policy (how residual capital expenditure is charged to revenue over time);
 - the Treasury Management Strategy (how investments and borrowings are to be organised) including treasury indicators and an annual investment strategy (the parameters on how investments are to be managed).
- A Mid-Year Review Report, which updates Members with the progress of the capital position, amending prudential indicators as necessary and whether any policies require revision.
- An Annual Report, which provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- Delegation by the Council of responsibilities for implementing and monitoring Treasury Management Policies and Practices and for the execution and administration of treasury management decisions. In Oldham, this responsibility is delegated to the section 151 Officer (Director of Finance). The treasury management role of the Section 151 Officer is shown at Appendix 5.
- Delegation by the Council of the role of scrutiny of the Treasury Management Strategy and policies to a specific named body. In Oldham, the delegated body is the Audit Committee. The treasury management scheme of delegation is provided at Appendix 4.

Treasury Management Strategy 2016/17

1.6 The Strategy for 2016/17 covers two main areas.

1.6.1 Capital Issues

- The Capital Plans and the Prudential Indicators
- The Minimum Revenue Provision (MRP) Policy Statement

1.6.2 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 Requirement
- The Borrowing Strategy
- Policy on Borrowing in Advance of Need
- Debt Rescheduling
- The Investment Strategy
- Creditworthiness Policy
- Policy on use of external service providers.

These elements are each addressed with the Treasury Management report.

Balanced Budget Requirement

1.7 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a Local Authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:

- increases in interest charges caused by increased borrowing to finance additional capital expenditure; and
- any increases in running costs from new capital projects;

are limited to a level which is affordable and within the projected income of the Council for the foreseeable future.

Treasury Management Consultants

1.8 Oldham Council uses Capita Asset Services, Treasury Solutions as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon external service providers.

1.9 It is also recognised that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

1.10 The contract engaging Capita Asset Services as the Council's Treasury Management advisors expired on 31 March 2015. The Council undertook a competitive joint tendering exercise with other Greater Manchester (GM) Local Government bodies to procure advisory services from April 2015. Capita Asset Services were re-appointed as Treasury Management advisors for a period of three years (with the option for a further year) effective from 1 April 2015.

Scrutiny of the Treasury Management Strategy

- 1.11 The Treasury Management Strategy was presented for scrutiny to the Overview and Scrutiny Performance and Value for Money Select Committee at its meeting on 21 January 2016. This provided Members of the Select Committee the opportunity to review the proposed Strategy and question the information and assumptions included in the report. The Committee was content to commend the report to Cabinet, who duly considered and approved the report at its meeting on 11 February and commended the report to Council.

2 Capital Plans and Prudential Indicators 2016/17 – 2018/19

2.1 Capital Plans

- 2.1.1 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist Members overview and confirm capital expenditure plans. These indicators as per the Capital Programme include previous years actual expenditure, forecast expenditure for the current year and estimates for the next three year period.

Capital Expenditure Estimates

- 2.1.2 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts in the table below:

Table 1 Capital Expenditure Estimates

Capital Expenditure	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Neighbourhoods	11,369				
Commissioning	1,306				
Commercial Services	16,426				
Regen and Development	31,859				
Deputy Chief Executive	100				
Cooperatives and Neighbourhoods		10,023	11,888	3,536	2,473
Corporate and Commercial Services		3,555	1,055	249	249
Economy and Skills		52,959	59,431	73,824	4,022
Health and Wellbeing		1,390	2,655	400	400
Funds yet to be allocated			5,402	0	0
General Fund Services	61,060	67,927	80,431	78,009	7,144
HRA	5,791	405	114	0	0
HRA	5,791	405	114	0	0
Total	66,851	68,332	80,545	78,009	7,144

*** 2014/15 actuals are stated in the old portfolio arrangements; services were realigned for the 2015/16 financial year*

2.1.3 The capital expenditure shown above excludes other long term liabilities, such as Private Finance Initiatives (PFI) and leasing arrangements which already include borrowing instruments. It should be noted that new expenditure commitments are likely to increase the borrowing requirement.

2.1.4 Table 2 below summarises the above capital expenditure plans and how these plans are being financed. Any shortfall of resources results in a funding need (borrowing).

2.1.5 The borrowing need for 2016/17 is £36.510m. This will change if there is a revision to the spending profile of the capital programme. Some of the expected borrowing will be supported by new income streams and a further tranche is underwriting expected grants and contributions. If spending plans change there may not be a requirement to borrow.

Table 2 Funding of the Capital Programme

Capital Expenditure	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
General Fund Services	61,060	67,927	80,431	78,009	7,144
HRA	5,791	405	114	0	0
Total	66,851	68,332	80,545	78,009	7,144
Financed by:					
Capital receipts	(4,097)	(6,793)	(12,099)	(5,890)	(6,232)
Capital grants	(18,224)	(27,772)	(24,785)	(29,246)	(1,973)
Revenue	(12,124)	(926)	(4,605)		
HRA	(5,791)	(405)	(2,547)	(4,867)	0
Net financing need for the year	26,615	32,436	36,510	38,006	(1,061)

2.1.6 All other performance indicators included within this report are based on the above capital estimates.

2.2 The Council's Borrowing Need (the Capital Financing Requirement)

2.2.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

2.2.2 The CFR does not increase indefinitely, as both MRP, which is a statutory annual revenue charge, and voluntary revenue provision (VRP) both act to broadly reduce the borrowing need in line with each assets life.

2.2.3 The CFR includes other long term liabilities (e.g. PFI schemes, finance leases etc.). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £278.54m of such schemes within the CFR, decreasing to £272.97m in 2016/17.

Table 3 Capital Financing Requirement (CFR)

	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Capital Financing Requirement					
CFR	527,364	543,243	558,377	574,890	549,396
CFR - housing					
Total CFR	527,364	543,243	558,377	574,890	549,396
Movement in CFR	47,492	15,879	15,134	16,513	(25,494)
Movement in CFR represented by					
Net financing need for the year	26,615	32,436	36,511	38,006	(1,061)
PFI Additions	39,221	3,738	0	0	0
Less MRP/VRP and other financing movements	(18,343)	(20,296)	(21,378)	(21,494)	(24,433)
Movement in CFR	47,493	15,878	15,133	16,512	(25,494)

2.3 MRP Policy Statement

2.3.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the MRP) to the income and expenditure account. The Council is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

2.3.2 Department for Communities and Local Government (DCLG) regulations require the full MRP Statement to be decided upon in advance of each year and reported to Council. The Council has to ensure that the chosen options are prudent.

2.3.3 For capital expenditure incurred before 1 April 2008, or which in the future will be Supported Capital Expenditure, the MRP policy will follow existing practice outlined in former DCLG regulations. This sets aside 4% each year of the Council's CFR less an adjustment for changes to regulations. This historic approach will continue for all capital expenditure incurred in the years before the change was introduced. The Council may from time to time wish to review the MRP policy in relation to historic debt and in particular to ensure the rates and method of calculation employed remain appropriate.

2.3.4 From 1 April 2008 for all unsupported borrowing, referred to as prudential borrowing, the MRP policy will be the Asset Life Method. MRP will be based on the estimated life of the assets, in accordance with the regulations issued by DCLG. The calculation of the provision will either be the annuity method or equal

instalments method depending on which is most appropriate. Furthermore, where appropriate provision for MRP will commence upon the completion of assets rather than when expenditure is incurred.

2.3.5 Repayments included in annual PFI or finance leases are applied as MRP.

2.3.6 The Council currently operates a Local Authority Mortgage Scheme (LAMS) using the cash backed option. The mortgage lenders require a five year deposit from the Local Authority to match the five year life of the indemnity. The deposit placed with the mortgage lender provides an integral part of the mortgage lending and is treated as capital expenditure and a loan to a third party. The CFR will increase by the amount of the total indemnity. The cash advance is due to be returned in full at maturity, with interest paid annually. Once the cash advance matures and funds are returned to the Local Authority, the returned funds are classed as a capital receipt, which will be applied to reduce the CFR. As this is a temporary (five years) arrangement and the funds will be returned in full, there is no need to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application.

2.4 Affordability Prudential Indicators

2.4.1 The previous sections cover the overall capital programme and control of borrowing prudential indicators, but within this framework, prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council’s overall finances.

a) Ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in this report.

Table 4 Ratio of Net Financing Cost to Net Revenue Stream

	2014/15 Actual	2015/16 Forecast	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
General Fund excluding DSG*	14.90%	13.64%	16.31%	19.21%	21.15%

* Dedicated School Grant (DSG)

Table 4 above includes financing costs in relation to PFI schemes, for which the Council receives PFI grant direct from Central Government and therefore the above figures would reduce with the exclusion of PFI income and expenditure i.e. the Council’s financing costs requiring funding from the council tax base.

b) Incremental impact of new capital investment decisions on council tax

Table 5 identifies the revenue costs associated with proposed changes to the capital programme recommended in the report for 2016/17 compared to the

Council's existing approved commitments and current plans. The indicators in tables 4 and 5 are based on the current budget, but will invariably include some estimates and will change with any variation in the profile of expenditure.

Table 5 Incremental Impact of New Capital Investment Decisions on Band D Council Tax

	2014/15 Actual	2015/16 Forecast	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Increase in council tax (Band D)	£25.23	£44.25	£51.75	£55.77	£57.41

2.4.2 The above calculation is based on Band D equivalent properties, using the approved tax base for 2016/17 of 54,406 properties.

2.5 Borrowing

2.5.1 The capital expenditure plans set out in section 2.1 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury and prudential indicators, the current and projected debt positions and the annual investment strategy.

Current Portfolio Position

2.5.2 The Council's treasury portfolio position at 31 March 2016, with forward projections, is summarised below. Table 6 shows the actual external debt (the treasury management operations), against the underlying capital borrowing need, the CFR, highlighting any over or under borrowing.

2.5.3 Table 6 shows the forecast position of gross borrowing as at 31 March 2016 being £443.084m and an under-borrowed position of £100.159m.

Table 6 Current & Forecast Treasury Portfolio

	2014/15 Actual £'000	Forecast Position as at 31/3/16 £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
External Debt					
Debt @ 1st April	148,117	148,117	175,617	219,117	254,117
Expected change in debt	(0)	22,000	44,000	43,500	20,000
Other long-term liabilities	248,003	278,543	272,968	264,054	256,040
Expected change in OLTL*	30,540	(5,575)	(8,914)	(7,645)	(9,743)
Actual Gross Debt at 31 March	426,660	443,084	478,170	514,026	524,283
The Capital Financing Requirement	527,364	543,243	558,377	574,890	549,396
Under-Borrowing	100,704	100,159	80,206	60,864	25,114

* (OTL) - Other Long Term Liabilities

2.5.4 Table 6 above shows the Council will need to take out significant borrowings in future years if the capital programme spends in accordance with the anticipated profile. The borrowing requirement is a key influence over the borrowing strategy as set out in section 2.9. However, the Council has not yet needed to take out additional borrowing and the timing of the borrowing is being closely monitored.

2.5.5 There are a number of key prudential indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. It is clear from the table above that the Council's gross borrowing position remains within these limits.

2.5.6 The Council has complied with this prudential indicator in the current year and does not envisage difficulties in the future. This view takes into account current commitments, existing plans and the proposals in this report.

2.6 Treasury Limits for 2016/17 to 2018/19

2.6.1 The Council is required to determine its operational boundary and authorised limit for external debt for the next three years.

Operational Boundary

2.6.2 The forecast operational boundary for 2015/16 together with the proposed operational boundaries for 2016/17 to 2018/19 are set out in Table 7 below. The boundary reflects the maximum anticipated level of external debt consistent with budgets and forecast cash flows, and the CFR. This boundary will be used as a management tool for ongoing monitoring of external debt and may be breached

temporarily due to unusual cash flow movements. However a sustained or regular trend above the operational boundary should trigger a review of both the operational boundary and the authorised limit.

Table 7 Operational Boundary

Operational Boundary £'000	2015/16 Forecast	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Borrowing	285,000	310,000	330,000	315,000
Other long term liabilities	275,000	265,000	255,000	245,000
Total	560,000	575,000	585,000	560,000

Authorised Limit

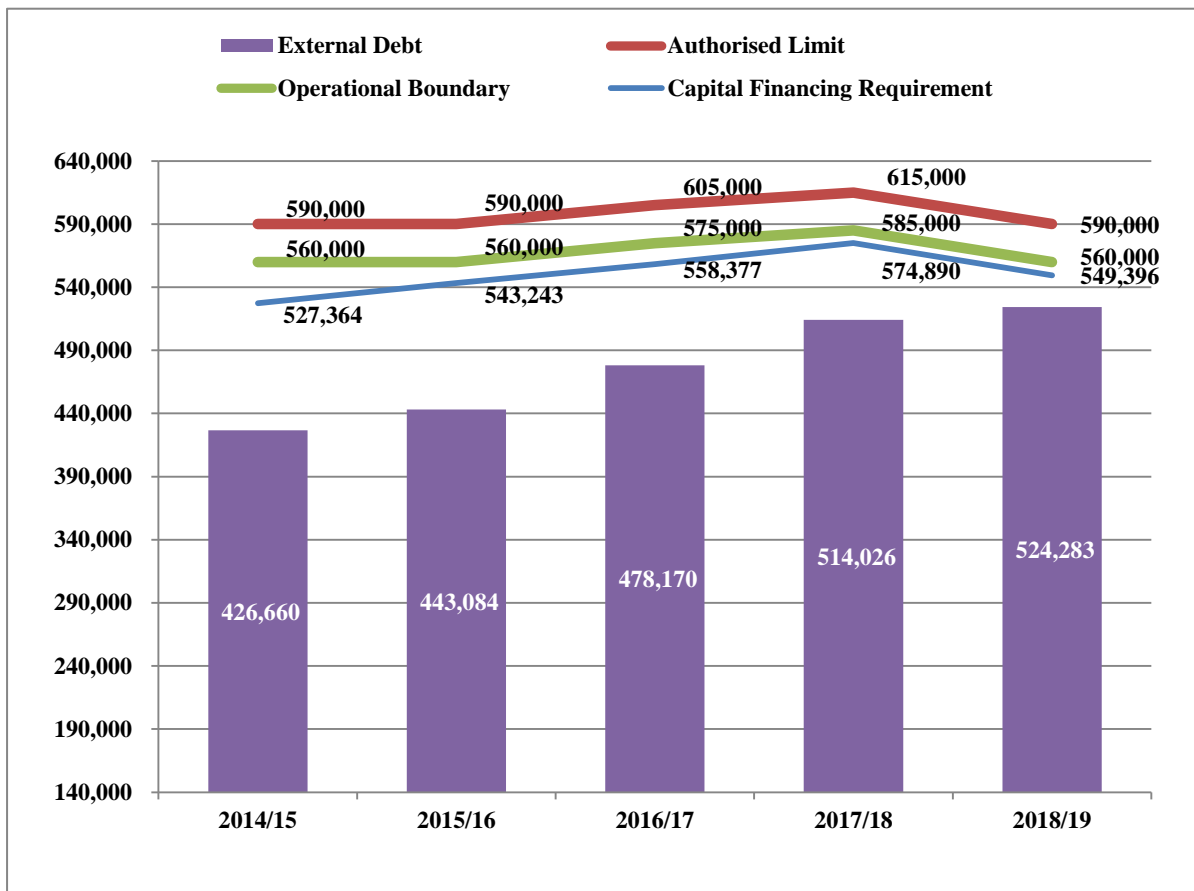
2.6.3 A further key prudential indicator, the Authorised limit, represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council, although this power has not yet been exercised. The Authorised Limit is set out in Table 8 below.

Table 8 Authorised Limit

Authorised Limit £'000	2015/16 Forecast	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Borrowing	305,000	330,000	350,000	335,000
Other long term liabilities	285,000	275,000	265,000	255,000
Total	590,000	605,000	615,000	590,000

2.6.4 The following graph shows how graphically the two indicators above, the Operational Boundary and the Authorised Limit, compare to actual external debt and the CFR.

Graph 1 External Debt and the Authorised Limit



2.7 Prospects for Interest Rates

2.7.1 The Council has appointed Capita Asset Services as its Treasury Advisor and part of its service is to assist the Council to formulate a view on interest rates. Appendices 1 and 2 draw together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table and narrative gives the Capita Asset Services view to March 2019.

Table 9 Interest Rate Forecast

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate reduction)			
		5 year	10 year	25 year	50 year
Mar-16	0.50	2.00	2.60	3.40	3.20
Jun-16	0.50	2.10	2.70	3.40	3.20
Sep-16	0.50	2.20	2.80	3.50	3.30
Dec-16	0.75	2.30	2.90	3.60	3.40
Mar-17	0.75	2.40	3.00	3.70	3.50
Jun-17	1.00	2.50	3.10	3.70	3.60
Sep-17	1.00	2.60	3.20	3.80	3.70
Dec-17	1.25	2.70	3.30	3.90	3.80
Mar-18	1.25	2.80	3.40	4.00	3.90
Jun-18	1.50	2.90	3.50	4.00	3.90
Sep-18	1.50	3.00	3.60	4.10	4.00
Dec-18	1.75	3.10	3.60	4.10	4.00
Mar-19	1.75	3.20	3.70	4.10	4.00

United Kingdom (UK)

- 2.7.2 UK Gross Domestic Product (GDP) growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any Group 7 (G7) country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2%.
- 2.7.3 Quarter 1 of 2015 was weak at 0.4% (2.9% annualised) though there was a rebound in quarter 2 to 0.5% (2.3% annualised) before weakening again to 0.4% (2.1% annualised) in quarter 3.
- 2.7.4 The November 2015 Bank of England Inflation Report included a forecast for growth to remain around 2.5% to 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that Consumer Price Index (CPI) inflation has fallen to, or near to, zero since February 2015.
- 2.7.5 Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK.
- 2.7.6 The Inflation Report was notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. However, the first round of falls in oil, gas and food prices over late 2014 and also in the first half 2015,

will fall out of the 12 month calculation of CPI during late 2015 / early 2016. A second, more recent round of falls in commodity prices will delay a significant tick up in inflation from around zero: this is now expected to get back to around 1% by the end of 2016 and not get to near 2% until the second half of 2017, though the forecasts in the report itself were for an even slower rate of increase.

2.7.7 More falls in the price of oil and imports from emerging countries in early 2016 will further delay the pick up in inflation. There is therefore considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the Bank of England Monetary Policy Committee (MPC) will decide to make a start on increasing the Bank Rate.

2.7.8 The weakening of UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would occur being pushed back to quarter 4 of 2016. There is downside risk to this forecast i.e. it could be pushed further back.

USA

2.7.9 The American economy made a strong comeback after a weak first quarter's growth at 0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then weakened again to 2% in quarter 3.

2.7.10 The run of strong monthly increases in nonfarm payrolls figures for growth in employment in 2015 prepared the way for the Federal Reserve (Fed) to embark on its long awaited first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

Eurozone

2.7.11 In the Eurozone (EZ), the European Central Bank (ECB) made a major statement in January 2015 by launching a €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it was intended to run initially to September 2016.

2.7.12 At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from a negative 0.2% to a negative 0.3%.

2.7.13 This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% annualised) but has then eased back to 0.4% (1.6% annualised) in quarter 2 and to 0.3% (1.6% annualised) in quarter 3.

2.7.14 Financial markets were disappointed by the ECB's lack of more decisive action in December and it is likely that it will need to boost its quantitative easing (QE) programme

if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

Greece

2.7.15 During July, Greece finally yielded to European Union (EU) demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did little to address the unsupportable size of total debt compared to GDP.

2.7.16 However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January 2015, to EU demands. The surprise general election in September 2015 gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

Portugal and Spain

2.7.17 The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost their majority of seats.

2.7.18 An anti-austerity coalition has won a majority of seats in Portugal while the general election in Spain produced a complex result where no combination of two main parties is able to form a coalition with a majority of seats.

2.7.19 It is currently unresolved as to what administrations will result from both these situations. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

General Interest Rate Forecasts

2.7.20 In overall terms:

- Investment returns are likely to remain relatively low during 2016/17 and beyond;
- Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically very low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later years, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to re-finance maturing debt;
- There will remain a “cost of carry” to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

2.8 Public Works Loan Board (PWLB) Rates

2.8.1 PWLB rates are expected to gradually increase during the year 2016 and continue to do so for the next three years. Rates on loans of less than ten years duration are expected to be substantially lower than longer term PWLB rates, thereby offering a range of options for new borrowing which will spread debt maturities away from a concentration in long dated debt. There is likely to be little or no difference between 25 year and 50 year rates thus loans in the 25-30 year periods could be seen as being more attractive than 50 year borrowing as the spread between the PWLB new borrowing and early repayment rates is considerably less.

2.9 Borrowing Strategy

2.9.1 The factors that influence the 2016/17 Strategy are:

- The movement in CFR as per Table 3
- Impending option dates on £59m of Lender Option Borrower Option loans (LOBO's) in 2016/17
- Interest rate forecasts as per Table 9
- The aim of minimising revenue costs to reduce the impact on Council Tax.
- The impact of the Council's Investment Programme

2.9.2 The Council is currently maintaining an under-borrowed position. This means that the CFR has not been fully-funded with loan debt because cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high, however as interest rates are low, consideration will be given to taking advantage of this by securing fixed rate funding and reducing the under borrowed position.

2.9.3 Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The Treasury Management team will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances so that:

- If it was considered that there was a significant risk of a sharp fall in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- If it was considered that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

2.9.4 The gross borrowing requirement in Table 6 shows, based on current estimates, that the Council will need to take out a significant amount of new borrowings, to support the capital programme. Any new borrowing taken out will be completed with regard to the limits, indicators and interest rate forecasts set out above.

2.9.5 During 2016/17, £59m of LOBO (Lender Option Borrower Option) debt will reach the option renewal date. Table 11 sets out the maturity structure of fixed rate debt. At the renewal date the loans will either:

- Move to the option rate of interest, which in all cases will be the same as the current rate, or
- Be offered at a rate above the option rate, in which case the Council has the option to repay. This would then require re-financing at the prevailing market rates. Based on current interest rates it is not anticipated that these loans will require re-financing.

2.9.6 The 2015/16 capital programme now shows anticipated prudential borrowing of £32.436m with £36.510m in 2016/17 and £38.006m in 2017/18. These figures have been reflected in this report and factored into the borrowing strategy for 2016/17 and future years.

2.10 Treasury Management Prudential Indicators – Limits on Activity

2.10.1 There are three debt-related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs and, or improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for re-financing, and are required for upper and lower limits.

2.10.2 Table 10 sets out the limits on interest rate exposures:

Table 10 Limits on Interest Rate Exposures

	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000
Upper Limit on Fixed Interest Rate Exposure	100%	100%	100%	100%
Upper Limit on Variable Interest Rate Exposure	30%	30%	30%	30%

2.10.3 Table 11 below sets out the proposed upper and lower limits on maturity structure of fixed rate debt, for 2016/17. The maturity structure guidance for LOBOs changed in the 2011 guidance notes; the call date is now deemed to be the maturity date. LOBO's are classed as fixed rate debt until the call date. Within the next 12 months (2016/17) up to 47% of LOBO debt will reach its call date, however it is not anticipated that these loans will be called by the lending institutions and require refinancing.

Table 11 Upper and Lower Limits on Maturity Structure of Fixed Rate Debt

Maturity Structure of Fixed Interest Rate Debt	2016/17	
	Upper Limit	Lower Limit
Under 12 months	50%	0%
12 months and within 24 months	7%	0%
24 months and within 5 years	28%	0%
5 years and within 10 years	5%	0%
10 years and above	10%	40%

2.11 Policy on Borrowing in Advance of Need

2.11.1 The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

2.11.2 Borrowing in advance will be made within the constraint that the Council would not look to borrow more than 24 months in advance of need.

2.11.3 Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

2.12 Debt Rescheduling

2.12.1 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

2.12.2 The reasons for any rescheduling to take place will include:

- the generation of cash savings and/ or discounted cash flow savings
- helping to fulfil the treasury strategy
- enhancing the balance of the portfolio (amending the maturity profile and/or the balance of volatility)
- to participate in the refinancing of PFI and PPP type agreements in either equity share or bank funded debt where it is considered be financially and/or operationally advantageous for the Council.

2.12.3 Consideration will also be given to identifying if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

2.12.4 All re-scheduling will be reported to Cabinet and Council at the earliest meeting following its action.

2.13 Local Capital Finance Company (originally Municipal Bond Agency)

2.13.1 It is likely that Local Capital Finance Company, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLb).

2.13.2 The Council has currently invested £100k in the Company and intends to make use of this new source of borrowing as and when appropriate.

2.14 Annual Investment Strategy

Changes to Investment Credit Rating Methodology

2.14.1 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level.

2.14.2 The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed.

2.14.3 A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.

- 2.14.4 In keeping with the agencies' new methodologies, the rating element of the Council's own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used for Standard & Poor's, this has been a change in the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.
- 2.14.5 The evolving regulatory environment, in tandem with the rating agencies' new methodologies, also means that sovereign ratings are now of lesser importance in the assessment process. Where, throughout the banking crisis, clients typically assigned the highest sovereign rating to their criteria, the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions.
- 2.14.6 While this Council understands the changes that have taken place, it will continue to specify a minimum non-UK sovereign rating of AAA. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.
- 2.14.7 It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution. They are merely reflective of a reassessment of rating agency methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate.
- 2.14.8 While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit-worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign Government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support.
- 2.14.9 In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the "support" phase of the financial crisis.

Investment Policy

- 2.14.10 The Council's investment policy has regard to the Department for Communities and Local Government (DCLG's) Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are:
- firstly, the security of capital
 - secondly, the liquidity of its investments

- thirdly, the optimum return on its investments commensurate with proper levels of security and liquidity
- finally, ethical Investments.

2.14.11 In accordance with the above guidance from the DCLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoids risk concentration. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

2.14.12 Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings

2.14.13 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

2.14.14 Investment instruments identified for use in the financial year are detailed below under the ‘specified’ and ‘non-specified’ investments categories.

Specified Investments

2.14.15 The table below sets out the specified investments. These are sterling denominated with maturities up to a maximum of 1 year, meeting the minimum ‘high’ rating criteria where applicable.

Table 12 Specified Investments

Type of Investment	Minimum Credit Criteria / Colour Band	Max. Maturity Period
Debt Management Account Deposit Fund – UK Government (Debt Management Office)	N/A	6 months
UK Government gilts	UK sovereign rating	1 year
UK Government Treasury bills	UK sovereign rating	1 year
Bonds issued by multilateral development banks	AA	1 year
Money market funds	AAA	Liquid
Enhanced money market funds	AAA	Liquid
Public Sector Bodies	N/A	1 year
Term deposits with banks and building societies	Blue Orange Red Green No Colour	1 year 1 year 6 Months 100 days Not for use
Certificates of Deposit and/ or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	1 year 1 year 6 Months 100 days Not for use
Corporate bond funds	AA	1 year
Gilt funds	UK sovereign rating	1 year

Non-Specified Investments

2.14.16 The table below lists some of the non-specified investments. These are investments which do not meet the specified investment criteria detailed above in Table 12.

Table 13 Non-Specified Investments

Type of Investment	Minimum credit criteria / colour band	Max. maturity period
UK Government gilts	UK sovereign rating	2 years
UK Government Treasury bills	UK sovereign rating	2 years
Public Sector Bodies	N/A	5 years
Bonds issued by multilateral development banks	AAA	3 years
Term deposits with banks and building societies	Yellow Purple No Colour	5 years 2 years Not for use
Certificates of Deposit and/or corporate bonds with banks and building societies	Yellow Purple No Colour	5 years 2 years Not for use
Corporate bond funds	AAA	3 years
Gilt funds	UK sovereign rating	2 year
Municipal Bonds Agency	N/A	N/A
Property funds	N/A	5 Years

2.14.17 As highlighted above (paragraph 2.3.6), the Council participates in the Local Authority Mortgage Scheme. Under this scheme the Council has placed funds of £2m, with Lloyds TSB, for a period of 5 years. This is classed as being a service investment rather than a treasury management investment and is also outside the specified / non specified categories.

2.14.18 The Council will keep under review the availability of alternative investment products that satisfy the Treasury Management investment criteria, being particularly aware of a Local Authority backed “Local Government Investment Fund” that will shortly be coming to the market.

2.15 Creditworthiness Policy

2.15.1 Oldham Council applies the creditworthiness service provided by Capita Asset Services Treasury Advisors. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poor. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries.

2.15.2 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments.

2.15.3 Institutions are split into colour bandings and the Council will therefore use counterparties within these colours, durational bands and investment limits. Table 14 below shows these limits.

Table 14 Investment Criteria

Capital Colour Band	Maximum Duration	Maximum Principal Invested £
Yellow (Note 1)	5 Years	£10m
Dark Pink (Note 2)	5 Years	£10m
Light Pink (Note 3)	5 Years	£10m
Purple	2 Years	£20m
Blue (Note 4)	1 Year	£20m
Orange (Note 5)	1 Year	£15m
Red	6 months	£10m
Green	100 days	£10m
No Colour	Not to be used	Not to be used

Note 1 – Includes Public Sector Bodies

Note 2 – Enhanced money market funds (EMMF) with a credit score of 1.25

Note 3 - Enhanced money market funds (EMMF) with a credit score of 1.5

Note 4 – Blue Institutions only applies to nationalised or semi nationalised UK Banks, which are currently:

- RBS Group – Royal Bank of Scotland
- NatWest Bank
- Ulster Bank.

Note 5 - Includes the Council's banking provider (currently Barclays), if it currently falls into category below this colour band.

- 2.15.4 The Capita Asset Services creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.
- 2.15.5 Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalent) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 2.15.6 All credit ratings will be monitored on a daily basis. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services Treasury Advisory creditworthiness service.
- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn or notice given to withdraw immediately.
 - In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided by Capita Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 2.15.7 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on any external support banks to help support its decision making process.
- 2.16 Country and Sector Limits
- 2.16.1 It is not proposed to restrict the Council's investment policy to only UK banks and building societies, however in addition to the credit rating criteria set out above consideration will be given to the sovereign rating of the country before any investment is made.
- 2.16.2 In February 2013 the UK lost its AAA rating and moved to an AA+ rating. The Council will continue to invest with UK Banks, providing the individual institutions still meet the relevant criteria
- 2.16.3 The Council has determined that it will only use approved counterparties from non-UK countries with a minimum sovereign credit rating of AAA from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 3. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy, therefore for illustrative purposes the appended list is extended to also show AA+ i.e. the countries currently assessed to be in the rating below those that currently qualify.

2.17 Investment Strategy

2.17.1 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). The Council currently has investments totalling £42.0m which span the financial year as shown in Table 15. These investments are either current as at February 2016 or forward deals that commence in the new financial year 2016/17.

Table 15 Investments Maturing in 2016/17

Counterparty	Amount	Maturity Date	Rate
Nationwide	£2,500,000	14/04/2016	0.66%
RBS	£5,000,000	15/04/2016	0.91%
Standard Chartered	£5,000,000	20/04/2016	0.73%
Standard Chartered	£2,500,000	04/05/2016	0.90%
Bank of Scotland	£3,000,000	09/05/2016	0.75%
Bank of Scotland	£5,000,000	18/05/2016	0.75%
Barclays	£3,000,000	20/05/2016	0.85%
Santander	£2,500,000	03/06/2016	0.71%
RBS	£3,000,000	12/07/2016	0.95%
Barclays	£3,000,000	25/11/2016	0.97%
Herefordshire Council	£7,500,000	23/12/2016	0.70%
Total	£42,000,000		

2.17.2 The Bank Rate is forecast to remain unchanged at 0.50% before starting to rise from quarter 3 of 2016/17. Bank rates forecasts for financial year ends are:

- 2016/17 0.75%
- 2017/18 1.25%
- 2018/19 1.75%

2.17.3 There are downside risks to these forecasts (i.e. the start of increases in the Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken or forecasts for increases in inflation rise, there could be an upside risk.

2.17.4 The Council looks to achieve a return on its investment greater than the London Interbank Bid Rate (LIBID). It will benchmark investment returns matched to the relevant period of investment, 7 day LIBID and 3, 6 & 12 month LIBID multiplied by 5%. Forecast LIBID rates can be seen in Appendix 1.

2.17.5 The Council will maintain sufficient cash reserves to give it its necessary liquidity and may place investments for up to 5 years if the cash flow forecast allows and the credit rating criteria is met.

2.17.6 The Council will avoid locking into longer term deals i.e., “more than 364 days” while investment rates are down at historically low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and within the risk parameters set by the Council.

2.17.7 For daily cash management, the Council will seek to utilise its business reserve instant access accounts, 15 and 30 day accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

Investment Treasury Indicator and Limit

2.17.8 This indicator looks at total principal funds invested for greater than 364 days. These limits are set with regard to the Council’s liquidity requirements and to reduce the need for early sale of investment, and are based on the availability of funds after each year end.

Table 16 Maximum Principal Sum Invested Greater Than 364 days

	2016/17	2017/18	2018/19
Principal sums invested > 364 days	£20m	£20m	£20m

2.18 Investment Risk Benchmarking

2.18.1 These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Liquidity – in respect of this area the Council seeks to maintain:

- Bank overdraft facility £2m (currently being reviewed)
- Liquid short term deposits of at least £10m available with a week’s notice.

Yield - local measures of yield benchmarks are:

- Investments – internal returns above the 7 day LIBID rate multiplied by 5%
- Investments – internal returns above the 1 month LIBID rate multiplied by 5%
- Investments – internal returns above the 3 month LIBID rate multiplied by 5%
- Investments – internal returns above the 6 month LIBID rate multiplied by 5%
- Investments – internal returns above the 12 month LIBID rate multiplied by 5%

2.18.2 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report, which is in accordance with required practice and is presented to Council and Cabinet for approval and the Audit Committee for scrutiny.

2.19 Prepayment Discounts

- 2.19.1 The Council will seek to maximise its treasury position by taking advantage of any discounts on payments made or managed by the Treasury Management team, subject to the usual rigorous due diligence and having regard to an appropriate risk assessment, counterparty review and contractual obligations

3 Options/Alternatives

- 3.1 In order that the Council complies with the CIPFA Code of Practice on Treasury Management, the Council has no option other than to consider and approve the contents of the report. Therefore no options/alternatives have been presented. The role of Cabinet is to approve the proposed Treasury Management Strategy to ensure that the document that the Council is approving is robust and enables the financial position of the Council to be safeguarded.

4 Preferred Option

- 4.1 The preferred option is that the contents of the report are approved by Council..

5 Consultation

- 5.1 There has been consultation with Capita Asset Services, Treasury Management Advisors. The presentation to the PVFM Select Committee on 21 January 2016 was a key stage in the consultation process, following which the report was considered and approved at the 11th February Cabinet meeting.

6 Financial Implications

- 6.1 All included in the report.

7 Legal Services Comments

- 7.1 None

8 Cooperative Agenda

- 8.1 The treasury management strategy embraces the Council's cooperative agenda. The Council will develop its investment framework to ensure it complements the cooperative ethos of the Council.

9 Human Resources Comments

- 9.1 None

10 Risk Assessments

- 10.1 There are considerable risks to the security of the Authority's resources if appropriate treasury management strategies and policies are not adopted and followed. The Council has established good practice in relation to treasury management which have previously been acknowledged in the External Auditors' Annual Governance Report presented to the Audit Committee.

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 None

13 **Procurement Implications**

13.1 None

14 **Environmental and Health & Safety Implications**

14.1 None

15 **Equality, community cohesion and crime implications**

15.1 None

16 **Equality Impact Assessment Completed?**

16.1 No

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 CFHR-29-15

19 **Background Papers**

19.1 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 provided in Appendices 1 - 6
Officer Name: Anne Ryans
Contact No: 0161 770 4902

20 **Appendices**

Appendix 1 Capita Asset Services - Treasury Advisor's Interest Rate Forecast 2016-19
Appendix 2 Economic Background
Appendix 3 Approved Countries for Investments

Appendix 4	Treasury Management Scheme of Delegation
Appendix 5	Treasury Management Role of the Section 151 Officer
Appendix 6	Treasury Management Indicators

APPENDIX 1 – CAPITA ASSET SERVICES INTEREST RATE FORECAST 2016 – 2019

PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

Capita Asset Services Interest Rate View													
	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Bank Rate View	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
3 Month LIBID	0.50%	0.50%	0.60%	0.80%	0.90%	1.00%	1.10%	1.30%	1.40%	1.50%	1.60%	1.80%	1.90%
6 Month LIBID	0.70%	0.70%	0.80%	0.90%	1.00%	1.20%	1.30%	1.50%	1.60%	1.70%	1.80%	2.00%	2.20%
12 Month LIBID	1.00%	1.00%	1.10%	1.20%	1.30%	1.50%	1.60%	1.80%	1.90%	2.00%	2.10%	2.30%	2.40%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%
10yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%
25yr PWLB Rate	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%	4.10%
50yr PWLB Rate	3.20%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%	4.00%
Bank Rate													
Capita Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
Capital Economics	0.50%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	-	-	-	-	-
5yr PWLB Rate													
Capita Asset Services	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%
Capital Economics	2.60%	2.70%	2.80%	3.00%	3.10%	3.20%	3.30%	3.50%	-	-	-	-	-
10yr PWLB Rate													
Capita Asset Services	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%
Capital Economics	3.35%	3.45%	3.45%	3.55%	3.65%	3.75%	3.85%	3.95%	-	-	-	-	-
25yr PWLB Rate													
Capita Asset Services	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%	4.10%
Capital Economics	3.35%	3.45%	3.45%	3.55%	3.65%	3.75%	3.85%	3.95%	-	-	-	-	-
50yr PWLB Rate													
Capita Asset Services	3.20%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%	4.00%
Capital Economics	3.40%	3.50%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	-	-	-	-	-

APPENDIX 2 - ECONOMIC BACKGROUND

United Kingdom

UK GDP growth rates in of 2.2% in 2013 and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2%. Quarter 1 2015 was weak at 0.4% (2.9% annualised), although there was a slight increase in quarter 2 to 0.5% before weakening again to 0.4% (2.1% annualised) in quarter 3. The Bank of England's November Inflation Report included a forecast for growth to remain around 2.5% to 2.7% over the next three years. For this recovery, however, to become more balanced and sustainable in the longer term, it still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly to a current level of 5.1%.

Since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK. Bank of England Governor Mark Carney has set three criteria that need to be met before he would consider making a start on increasing Bank Rate. These criteria are patently not being met at the current time, (as he confirmed in a speech on 19 January):

- Quarter-on-quarter GDP growth is above 0.6% i.e. using up spare capacity. This condition was met in quarter 2 2015, but quarter 3 came up short and quarter 4 looks likely to also fall short.
- Core inflation (stripping out most of the effect of decreases in oil prices), registers a concerted increase towards the MPC's 2% target. This measure was on a steadily decreasing trend since mid-2014 until November 2015 registered at 1.2%. December 2015 saw a further slight increase to 1.4%.
- Unit wage costs are on a significant increasing trend. This would imply that spare capacity for increases in employment and productivity gains are being exhausted, and that further economic growth will fuel inflationary pressures.

The MPC has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of CPI inflation in order to underpin a sustainable recovery. It has, therefore, been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which has been around zero since February. However, it is unlikely that the MPC would start raising rates until wage inflation was expected to consistently stay over 3%, as a labour productivity growth rate of around 2% would mean that net labour unit costs would still only be rising by about 1% year on year. The Inflation Report was notably subdued in respect of the forecasts for CPI inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the biggest since February 2013. However, the first round of falls in oil, gas and food prices in late 2014 and in the first half of 2015, will fall out of the 12 month calculation of CPI during late 2015 and early 2016 but only to be followed by a second, subsequent round of falls in fuel and commodity prices which will delay a significant tick up in inflation from around zero. CPI inflation is now expected to get back to around 1% in the second half of 2016 and not get near to 2% until

the second half of 2017, though the forecasts in the Report itself were for an even slower rate of increase.

However, with the price of oil having fallen further in January 2016, and with sanctions having been lifted on Iran, enabling it to sell oil freely into international markets, there could well be some further falls still to come in 2016. The price of other commodities exported by emerging countries could also have downside risk and several have seen their currencies already fall by 20 to 30%, (and in some cases more), over the last year. These developments could well lead the Bank of England to lower the pace of increases in inflation in its February 2016 Inflation Report. On the other hand, the start of the national living wage in April 2016 (and further staged increases until 2020), will raise wage inflation; however, it could also result in a decrease in employment so the overall inflationary impact may be muted.

Confidence is another big issue to factor into forecasting. Recent volatility in financial markets could dampen investment decision making as corporates take a more cautious view of prospects in the coming years due to international risks. This could also impact in a slowdown in increases in employment. However, consumers will be enjoying the increase in disposable incomes as a result of falling prices of fuel, food and other imports from emerging countries, so this could well feed through into an increase in consumer expenditure and demand in the UK economy. Another positive factor is that the UK will not be affected as much as some other western countries by a slowdown in demand from emerging countries, as the EU and US are our major trading partners.

There is, therefore, considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate. There are also concerns around the fact that the central banks of the UK and US currently have few monetary policy options left open to them given that central rates are near to zero and huge QE is already in place. There are, accordingly, arguments that rates ought to rise sooner and quicker, so as to have some options available for use if there was another major financial crisis in the near future. But it is unlikely that either would aggressively raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has, therefore, been pushed back progressively over the last year from quarter 4 2015 to quarter 4 2016. Increases after that are also likely to be at a much slower pace, and to much lower final levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers and householders than they did before 2008. There has also been an increase in momentum towards holding a referendum on membership of the EU in 2016, rather than in 2017, with quarter 3 2016 being the current front runner in terms of timing; this could impact on MPC considerations to hold off from a first increase until the uncertainty caused by it has passed.

The Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20 and this timetable was maintained in the November Budget.

USA

GDP growth in 2014 of 2.4% was followed by quarter 1 2015 growth, which was depressed by exceptionally bad winter weather, at only 0.6% (annualised). However, growth rebounded remarkably strongly in quarter 2 to 3.9% (annualised) before falling back to 2.0% in quarter 3.

Until the turmoil in financial markets in August, caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Fed would start to increase rates in September. The Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, as well as a 20% appreciation of the dollar which has caused the Fed to lower its growth forecasts. Although the non-farm payrolls figures for growth in employment in August and September were disappointingly weak, the October figure was stunningly strong while November was also reasonably strong and December was outstanding; this, therefore, opened up the way for the Fed to embark on its first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

Eurozone

The ECB in January 2015 embarked on a €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from a negative 0.2% to a negative 0.3%. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% year on year) but has then eased back to 0.4% (1.6% year on year) in quarter 2 and to 0.3% (1.6% year on year) in quarter 3. Financial markets were disappointed by the ECB's lack of more decisive action in December and it is likely that it will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

Greece

During July Greece finally yielded to EU demands to implement a major programme of austerity. An €86bn third bailout package has since been agreed although it did little to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the initial resistance of the Syriza Government, elected in January 2015, to EU demands. The surprise general election in September 2015 gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so a Greek exit from the euro may only have been delayed by this latest bailout.

Portugal and Spain

The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost their majority of seats. A left wing / communist anti-

austerity coalition has won a majority of seats in Portugal. The general election in Spain produced a complex result where no combination of two main parties is able to form a coalition with a majority of seats. It is currently unresolved as to what administrations will result from both these situations. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

China and Japan

Japan is causing considerable concern as the increase in sales tax in April 2014 suppressed consumer expenditure and growth. In quarter 2 2015 quarterly growth shrank by a negative 0.2% after a short burst of strong growth of 1.1% during quarter 1, but then came back to a positive 0.3% in quarter 3 after the first estimate had indicated that Japan had fallen back into recession; this would have been the fourth recession in five years. Japan has been hit hard by the downturn in China during 2015 and there are continuing concerns as to how effective efforts by the Abe government to stimulate growth, and increase the rate of inflation from near zero, are likely to prove when it has already had two attempts at reform and has delayed implementing the third available option; deregulation of protected and inefficient areas of the economy.

As for China, the Government has been very active during 2015 and the start of 2016 in implementing several stimulus measures to try to ensure the economy hits the growth target of about 7% for 2015. It has also sought to bring some stability after the major fall in the onshore Chinese stock market during the summer and then a second bout in January 2016. Many commentators are concerned that recent growth figures could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much of bank lending to corporates and local government during the post 2008 credit expansion period. Overall, China is still expected to achieve a growth figure of which the EU would be envious. Nevertheless, there are growing concerns about whether the Chinese economy could be heading for a hard landing and weak progress in rebalancing the economy from an over dependency on manufacturing and investment to consumer demand led services. There are also concerns over the volatility of the Chinese stock market, which was the precursor to falls in world financial markets in August and September and again in January 2016, which could lead to a flight to quality bond markets. In addition, the international value of the Chinese currency has been on a steady trend of weakening and this will put further downward pressure on the currencies of emerging countries dependent for earnings on exports of their commodities.

Emerging Countries

There are also considerable concerns about the vulnerability of some emerging countries, and their corporates, which are getting caught in a perfect storm. Having borrowed massively in dollar denominated debt since the financial crisis, (as investors searched for yield by channelling investment cash away from western economies with dismal growth, depressed bond yields and near zero interest rates into emerging countries), there is now a strong flow back to those western economies with strong growth and a path of rising interest rates and bond yields.

The currencies of emerging countries have therefore been depressed by both this change in investors' strategy, and the consequent massive reverse cash flow, and also by the expectations of a series of central interest rate increases in the US which has caused the dollar to appreciate significantly. In turn, this has made it much more costly for emerging

countries to service their dollar denominated debt at a time when their earnings from commodities are depressed by a simultaneous downturn in demand for their exports and deterioration in the value of their currencies. There are also likely to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates.

Corporates (worldwide) heavily involved in mineral extraction and / or the commodities market may also be at risk and this could also cause volatility in equities and safe haven flows to bonds. Financial markets may also be buffeted by the sovereign wealth funds of those countries that are highly exposed to falls in commodity prices and which, therefore, may have to liquidate investments in order to cover national budget deficits.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Capita Asset Services undertook its last review of interest rate forecasts on 19 January 2016. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data evolves over time. There is much volatility in rates and bond yields as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 4 of 2016.

The overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. At some future point in time, an increase in investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently to the downside, given the number of potential headwinds that could be growing on both the international and UK scene. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

However, the overall balance of risks to our Bank Rate forecast is probably to the downside, i.e. the first increase, and subsequent increases, may be delayed further if recovery in GDP growth, and forecasts for inflation increases, are lower than currently expected. Market expectations in January 2016, (based on short sterling), for the first Bank Rate increase are currently around quarter 1 2017.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Fed rate increases, causing a flight to safe havens
- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.

- Monetary policy action failing to stimulate sustainable growth and combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include:

- Uncertainty around the risk of a UK exit from the EU. The pace and timing of increases in the Fed funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

APPENDIX 3 - APPROVED COUNTRIES FOR INVESTMENTS

As at February 2016

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- U.K.
- U.S.A.

APPENDIX 4 - TREASURY MANAGEMENT SCHEME OF DELEGATION

The scheme of delegation is as follows.

Full Council is the responsible body for:

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.
- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations.

Cabinet is the responsible body for:

- reviewing the treasury management reports, strategies, policies and procedures and making recommendations to the responsible body.

Audit Committee is responsible for:

- scrutiny of the treasury management reports, strategies, policies and procedures and making recommendations to the responsible body.

Cabinet Member for Finance and HR is responsible for:

- approving the selection of external service providers and agreeing terms of appointment.

APPENDIX 5 - TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER (DIRECTOR OF FINANCE)

The Section 151 (responsible) officer will discharge the treasury management role by:

- recommending clauses, treasury management policy/practices for approval
- reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit with regard to treasury matters
- recommending the appointment of external service providers.

APPENDIX 6 - TREASURY MANAGEMENT INDICATORS

TABLE 1 Prudential Indicators	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Probable Out-Turn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Capital Expenditure					
General Fund	61,060	67,927	80,431	78,009	7,144
HRA	5,791	405	114	0	0
TOTAL	66,851	68,332	80,545	78,009	7,144
In year Capital Financing Requirement (Including Long Term Liabilities)					
General Fund	47,492	15,879	15,134	16,513	(25,494)
Capital Financing Requirement at 31 March (Including Long Term Liabilities)					
General Fund	527,364	543,243	558,377	574,890	549,396
Borrowing Requirement	0	22,000	44,000	43,500	20,000
Ratio of Financing Costs to Net Revenue Stream					
General Fund	14.90%	13.64%	16.31%	19.21%	21.15%
Incremental Impact of Capital Investment Decisions	£ p	£ p	£ p	£ p	£ p
Increase in Council Tax (band D) per annum	25.23	44.25	51.75	55.77	57.41

TABLE 2 Treasury Management Indicators	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Probable Out-Turn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Operational Boundary for External Debt					
Borrowing		285,000	310,000	330,000	315,000
Other long term liabilities		275,000	265,000	255,000	245,000
TOTAL		560,000	575,000	585,000	560,000
Authorised Limit for External Debt -					
Borrowing		305,000	330,000	350,000	335,000
Other long term liabilities		285,000	275,000	265,000	255,000
TOTAL		590,000	605,000	615,000	590,000
Actual External Debt	426,660				
Upper Limit on Fixed Interest Rate Exposure		100%	100%	100%	100%
Upper Limit on Variable Interest Rate Exposure		30%	30%	30%	30%
Upper Limit for Total Principal Sums Invested for Over 364 days		20,000	20,000	20,000	20,000

TABLE 3 Maturity Structure of New Fixed Rate Borrowing During 2015/16	Upper Limit	Lower Limit
Under 12 months	50%	0%
12 months and within 24 months	7%	0%
24 months and within 5 years	28%	0%
5 years and within 10 years	5%	0%
10 years and above	10%	40%

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Report to COUNCIL

Capital Strategy and Capital Programme 2016/21

Portfolio Holder: Councillor Jabbar, Cabinet Member for Finance and HR

Officer Contact: Anne Ryans, Director of Finance

Report Author: Andy Cooper, Senior Finance Manager

Ext. 4925

24 February 2016

Reason for Decision

To set out the Capital Strategy for 2016/17 to 2020/21 and thereby the proposed 2016/17 Capital Programme, including identified capital investment priorities, together with the indicative Capital Programme for 2017/21, having regard to the resources available for the five year life of the Programme.

Executive Summary

The Council's Capital Strategy and Capital Programme are again set over a five year timeframe.

The proposed Capital Strategy and Programme for 2016/17 to 2020/21 takes the essential elements of the 2015/20 and previous years' strategies and programmes and moves them forward in the context of the financial and political environment for 2016/17.

In 2012/13 the Council began its investment programme to support a range of regeneration priorities and, due to delays in the delivery of some schemes; the programme has now been re-profiled. Given the size of the regeneration programme, it is the main focus for Council spending within the period covered by this Capital Strategy. Investment is

mostly being financed or underwritten by prudential borrowing (pending confirmation of external funding). This requires revenue budget support, including increasing income streams from new developments. The 2016/17 revenue budget has been prepared to accommodate this with future years' projected costs included in the Medium Term Financial Strategy.

The general downward trend in funding has been stemmed in recent years with the introduction of a number of new funding opportunities, some of which carry through to 2016/17 and beyond:

- Basic Need Formula funding, to create more school places up to 2017; £5.504m in 2016/17 plus a further allocation of £15.405m that was announced on 12 February 2015. The full utilisation of the later tranche of this grant is still to be determined.
- The Social Care Reform Grant will not continue in 2016/17. However the Department of Health has, on 10th February 2016 confirmed Better Care Funding in the form of the Disabled Facilities Grant (DFG) amounting to £1.618m for 2016/17, in total more than compensating for the cessation of the aforementioned grant. As in 2015/16 it remains a pooled budget linked into a joint programme of spending with the NHS. There is an additional Council-funded top-up of £0.400m in each of the years of the programme for DFG and adult social care related spending.

On 23 December 2014 the Government announced that it would be providing local authorities in England (excluding London) with just under £6 billion for maintenance of local highways. Of this funding £4.7 billion was allocated according to a needs-based formula. The allocation will initially be paid to the Greater Manchester Combined Authority and then re-allocated. The Oldham share of this allocation is £10.349 million for the period 2016/17 to 2020/21.

The Council has also successfully bid during 2015/16 for a number of highways and transport-related grants:

- Challenge Funding amounting to £3.160m, payable over the three years commencing 2015/16, with allocations of £1.732m in 2016/17 and £0.906m in 2017/18. In total this funding requires a Council contribution of £0.840k.
- Local Growth and Reform (Round 2) Funding, the total award of £4.970m was announced in August 2015 and initially allocated as follows: £0.830m in 2015/16, £2.640m in 2016/17 and £1.500m in 2017/18. Of the total grant £4.500m has been allocated to works that form part of the ongoing town centre regeneration schemes.
- Flood Management Funding from the Environment Agency for 2015/16 and 2016/17 totalling £0.500m. The 2016/17 allocation is £0.185m; a requirement for matched funding of £0.065m has been committed within the Programme.

In February 2015 the Department for Education announced details of the Schools Condition Allocation Grant, the Oldham allocation for 2015/16 was £1.955m with indicative allocations given for the following two years. February 2016 saw formal confirmation of the 2016/17 allocation at £1.860m. Once again the most recent allocation is to be taken as indicative of the likely award in the following year. Assuming that further Oldham schools

will convert to academies and that associated funding will be lost, £1.755m has been included in 2017/18. At the same time the Department has also notified the Authority of the 2016/17 School's Devolved Formula Capital (DFC) funding amounting to £0.430m.

The Council's bid to the second phase of the Priority Schools Build Programme (PSBP2) in relation to Greenfield and Clarksfield schools was unsuccessful. In February 2015 the Government announced that the bid for Royton and Crompton had been 'partially' successful. The precise level of funding available remains unconfirmed. Meetings are ongoing with the Education Funding Agency (EFA) to agree the scope of this project. The latest position is that the EFA will be carrying out further feasibility works over the period April 2016 – June 2016, as a result of which they will be making recommendations as to the scope of works. A local allocation of resources will be required over and above the Government funding.

In preparing the 2016/21 Capital Strategy account has been taken to reflect local issues, the increase and change in the nature of Government funding and the continued uncertainty about the level of funding in future years. The principles of the Capital Strategy have therefore been prepared in the light of all available information. The Strategy includes a list of areas for potential future investment, subject to the availability of resources. Due to the review of capital spending that has taken place during 2015/16, there is currently £0.902m of unallocated resources that are available to support priority schemes in the remainder of 2015/16 and into 2016/17 and £4.5m of revenue resources from 2015/16 available in 2016/17. The Council is keen to maximise the use of the resources it has available and undertake targeted investment in priority projects.

The Capital Investment Programme Board (CIPB) will continue as an advisory board, chaired by the Cabinet Member for Finance and HR, acting in the role of strategic lead for capital investment and providing a coordinated approach to the capital investment programme. The CIPB will continue to be supported in its work by the Strategic Regeneration Project Management Office which oversees the management and governance of strategic regeneration projects. The CIPB will consider and recommend the appropriate prioritisation of any unallocated resources during the remainder of the 2015/16 financial year and, if appropriate, into 2016/17.

In overall terms, the Capital Programme includes proposed expenditure for 2016/17 of £80.545m, with the largest area of expenditure being on development and infrastructure projects within Economy and Skills. Expenditure reduces slightly to £78.009m in 2017/18, falling sharply to £7.144m in 2018/19, £4.107m in 2019/20 and £3.322m in the final year of the current programme.

The main sources of funding are prudential borrowing and Government grants. The programme in 2016/17 relies on £27.070m of prudential borrowing, with a further £9.440m being ear-marked to underwrite grant bids. In addition there is £24.785m of Government grants (and other contributions), £10.875m of capital receipts (including an estimated £4.352m brought forward from the previous year) and a contribution of £7.152m from revenue resources. Future years are also predominantly reliant on prudential borrowing and Government grants.

It is, however, likely that the capital position will change:

- it is possible that there will be further Government funding allocations prior to the start of 2016/17.
- the outcome of specific grant bids will become known.
- it is likely that there will be additional initiatives announced later in the financial year.
- there may also be the opportunity to bid for additional funding e.g. transport initiatives.
- 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 about funding allocations will be presented to Members in future reports.

The Capital Strategy and Capital Programme for 2016/17 to 2020/21 were subject to scrutiny by the Overview and Scrutiny Performance and Value for Money Select Committee at its meeting of 21 January 2016. This provided Committee Members with the opportunity to ask questions and test the assumptions upon which the Capital Strategy and Programme are based. The Select Committee was content to recommend the Capital Strategy and Programme to Cabinet, who approved the report at its meeting on 11 February and commended the report to Council.

Recommendations

That Council approves:

- i) The Capital Strategy for 2016/21 at Appendix 1 of this report and summarised at section 2.1.
- ii) The Capital Programme for 2016/17 and indicative programmes for 2017/18 to 2020/21 at Annex C of Appendix 1 and summarised at section 2.2 of this report.

Capital Strategy and Capital Programme 2016/21

1. Background

- 1.1 The Council's Capital Strategy and Capital Programme are set over a five year timeframe. The proposed Capital Strategy and Capital Programme for 2016/17 to 2020/21 takes the essential elements of previous capital strategies and programmes and moves them forward in the context of the financial and political environment for 2016/17 onwards. The Capital Strategy is attached at Appendix 1, with the Capital Programme, which reflects the principles of the Strategy, attached as Annex C of Appendix 1.
- 1.2 The Council's investment programme to support a range of regeneration priorities was initiated in 2012/13 and, due to delays in the delivery of some schemes, has been re-profiled to 2017/18. Given the scale of investment, regeneration forms the main focus of Council spending within the period covered by this Capital Strategy. This investment is mostly being financed by prudential borrowing, some of which requires revenue budget support. The 2016/17 budget has been prepared to accommodate this, with future years' projected costs included in the Medium Term Financial Strategy. Other regeneration projects will be financed by new income streams. Whilst in the current financial climate this capital investment is a considerable sum, it reflects the Council's commitment to the regeneration of the borough.
- 1.3 Prior to 2015/16, Government grant funding for capital expenditure had generally been reducing as a result of the austerity agenda and Councils have either had to finance capital expenditure from their own resources or curtail capital spending plans. The Government has also continued its policy of treating the majority of capital grants as un-ringfenced, reflecting its preference that Councils have increased local freedom and flexibility in the use of capital resources (although some of grants are awarded with an expectation of targeted spending). The availability and direction of Government resources still has a significant impact on the Council's Capital Strategy and Capital Programme.
- 1.4 The general downward trend in funding has been stemmed in recent years with the introduction of a number of new funding initiatives, some of which carry through to 2016/17 and beyond. Grants have been awarded for Education, Social Care and Schools projects:
- Education Basic Need Funding - to create more school places up to 2017; Funds awarded are £5.504m in 2016/17 plus a further allocation of £15.405m announced in February 2015. The full utilisation of the latest tranche of the grant is still to be determined.
 - The Social Care Reform Grant will not continue in 2016/17. However the Department of Health has, on 10 February 2016 confirmed Better Care Funding in the form of the Disabled Facilities Grant amounting to £1.618m for 2016/17, in total more than compensating for the cessation of the

aforementioned grant. As in 2015/16 it remains a pooled budget linked into a joint programme of spending with the NHS.

- 1.5 Mindful of the continued demand pressures faced by Adult Social Care services, in addition to the funding received through the expanded Disabled Facilities Grant, the Capital Programme for 2016/17 again includes a £400k general Adult Social Care provision which can be utilised in accordance with need in this area to further integrate health and social care which may require a call on capital expenditure.

Transport

- 1.6 In December 2014 the Government announced funding of just under £6 billion nationally for maintenance of local highways. Of this funding £4.7 billion will be allocated according to a needs-based formula to the Greater Manchester Combined Authority (GMCA). It is assumed that GMCA will distribute the funding in line with the Department for Transport (DfT) distribution. Whilst Local Transport Plan funding is un-ringfenced, it comes with the expectation of both the DfT and AGMA that it will be invested in delivering the Local Transport Plan strategy. The funding will therefore be passported for investment in, and maintenance of, Oldham’s transport network. Oldham’s share of this allocation is detailed in the table below:

	£k
2016/17	2,248.3
2017/18	2,180.3
2018/19	1,973.3
2019/20	1,973.3
2020/21	1,973.3
TOTAL	10,348.5

- 1.7 The Government also announced £580m to incentivise good highway asset management and efficiencies plus £575m reserved for a challenge fund for large one-off maintenance and renewal projects. The Council successfully bid for challenge funding amounting to £3.160m, payable over the three years commencing 2015/16, with allocations of £1.732m in 2016/17 and £0.906m in 2017/18. In total this funding requires a Council contribution of £840k.
- 1.8 The Council has also successfully bid to the GMCA for the second phase of the Local Growth and Reform Funding. Oldham’s award of £4.970m was announced in August 2015. The bid is analysed in the following table and will be allocated as follows; £0.830m in 2015/16, £2.640m in 2016/17 and £1.500m in 2017/18. £4.500m of the total grant has been allocated to works that form part of the ongoing town centre regeneration schemes.

	£k
Albert Street, Hollinwood Junction	800
Town Centre Metrolink pedestrian/cycle access	70
Local Sustainable Transport Fund - Sustainable Access Enhancements	150
Oldham Mumps Park & Ride and Highway Infrastructure	3,500
Town Centre Connectivity - Yorkshire Street	450
TOTAL	4,970

- 1.9 In September 2015 the Council secured Flood Management Funding from the Environment Agency for 2015 and 2016 totalling £0.500m. The 2016/17 allocation is £0.185m; the requirement for matched funding of £0.065m has been committed elsewhere in the programme.

Schools

- 1.10 In February 2015 the Department for Education announced details of the Schools Condition Allocation Grant, The Oldham allocation for 2015/16 was £1.955m with indicative allocations given for the following two years. February 2016 saw formal confirmation of the 2016/17 allocation as £1.860m. Once again, the most recent allocation is to be taken as indicative of the likely award in the following year. Assuming that further Oldham schools will convert to academies and that associated funding will be lost £1.755m has been included in for 2017/18.
- 1.11 At the same time the Department has also notified the Authority of the 2016/17 School's Devolved Formula Capital (DFC) funding amounting to £0.430m.
- 1.12 The Council's bid for the second phase of the Priority Schools Build Programme (PSBP2) in relation to Greenfield and Clarksfield schools was unsuccessful. In February 2015 the Government announced that the bid for Royton and Crompton had been 'partially' successful; the precise level of funding available remains unconfirmed. Meetings are ongoing with the Education Funding Agency (EFA) to agree the scope of this project. The latest position is that the EFA will be carrying out further feasibility works over the period April 2016 to June 2016, as a result of which they will be making recommendations as to the scope of works. An allocation of Council resources will be required over and above the Government allocation.

Scrutiny of the Capital Strategy and Capital Programme

- 1.13 The Capital Strategy and Capital Programme for 2016/17 to 2020/21 were subject to scrutiny by the Overview and Scrutiny Performance and Value for Money Select Committee at its meeting of 21 January 2016. This provided Committee Members with the opportunity to ask questions and test the assumptions upon which the Capital Strategy and Programme are based. The Select Committee was content to recommend the Capital Strategy and Programme to Cabinet, who approved the report at its meeting on 11 February and commended the report to Council.

2. Current Position

2.1 Capital Strategy 2016/21

- 2.1.1 The overarching aim of the Oldham Capital Strategy is to provide a framework within which the Council's capital investment plans will be delivered. The plans are driven by the Corporate Plan (refreshed in 2015) which sets out the corporate objectives. All capital schemes should contribute to the achievement of these objectives.
- 2.1.2 The Capital Strategy must also align to the Council's Medium Term Property Strategy (MTPS) which is currently in the process of being updated to reflect the most recent service transformation changes and financial challenges. It sets out a framework for strategic management of the Council's land and property portfolio, reflecting corporate priorities, aims and objectives and driving transformational change in service delivery. Aligned to service priorities, individual schemes are included within approved capital spending plans or are to be considered for a resource allocation over the period of the Capital Strategy.
- 2.1.3 The revised MTPS will incorporate the Community Use of Assets Framework, reflecting statutory requirements and align to the Council's Co-operative ethos. In addition it will encompass the emerging Building Maintenance Policy which sets a clear process protocol prioritising assets closely aligned to future investment requirements.
- 2.1.4 The Council is currently reviewing the structure of the property function and anticipates making further changes which will improve the way in which the strategic property objectives can be delivered. This will enable the Council to accelerate progress and realise benefits within a shorter timeframe, whilst maximising regeneration and inward investment opportunities.
- 2.1.5 Oldham is part of the Greater Manchester Combined Authority (GMCA). The GMCA works alongside the GMLEP (Local Enterprise Partnership) and they jointly own the Greater Manchester Strategy, which sets out a series of priorities to secure sustainable economic growth for the benefit of the conurbation and its residents. GMCA is continuing to develop an investment framework that complements the Greater Manchester (GM) Strategy as a means of identifying GM investment priorities. It is clear that the Oldham Capital Strategy must be consistent with and aligned to the GM Strategy and investment framework in order to secure resources and maximise the impact of its own capital investment. The Council's strategy has therefore been framed to complement the recently refreshed GM Strategy
- 2.1.6 The Government has advised that, as a number of grant programmes distribute funding on the basis of bids as reward grants, it is unable to give access to all grant allocations in time for the preparation of the Capital Strategy. Government departments will provide information about further grant allocations as they become available.

- 2.1.7 The Capital Investment Programme Board (CIPB) will continue in its role as an Advisory Board chaired by the Cabinet Member for Finance and HR to whom decision-making powers are delegated by Council, in conjunction with the Executive Director for Economy and Skills and the Director of Finance.
- 2.1.8 The Council will continue to utilise the Strategic Regeneration Project Management Office (PMO) to improve the management and governance of strategic regeneration projects and support the CIPB in ensuring that there is a thorough examination of all key issues in relation to the delivery and financing of a project. The CIPB will consider business cases, but having enhanced information from the PMO will help the CIPB make decisions based on more robust information.
- 2.1.9 In addition to prudential borrowing and Government grants, which together are the main financing source for the Capital Programme, the Council will, depending on the circumstances, consider using a range of resources and opportunities to finance capital expenditure and will continue to monitor the availability and suitability of alternative sources of financing. Financing decisions will, however, be made in the context of the schemes being considered for approval and the financial position of the Council at the time a decision is required.
- 2.1.10 Having regard to the above and other relevant issues, the Council has established the 2016/21 Capital Strategy around 16 key principles. These principles are highlighted in Section 2 of the Capital Strategy document at Appendix 1. They illustrate the importance of the role of the CIPB, include linkages to corporate and regional strategies, identify which resources will and will not be ring-fenced, the approach to matched funding that the Council will follow together with priorities for investment.
- 2.1.11 The priorities for 2015/16 to 2019/20 are set out below with greater detail included in the Capital Strategy document at Appendix 1 (Section 3) but are summarised as:
- i) Continuation funding for existing programmes of work:
 - Corporate Major Repairs, Disability Discrimination Act (DDA) Adaptations, Legionella, Health and Safety Projects (Corporate Landlord Function)
 - Schools Condition Works.
 - ii) Further/new projects for which funding may be required:
 - Adult Social Care
 - Unforeseen/emergency Health and Safety works
 - Low Carbon and Energy Efficiency Initiatives
 - School Investment/ Pupil Places Pressures
 - Priority School Building Works
 - Playing Pitch Strategy
 - Surplus Sites
 - Association of Greater Manchester Authorities (AGMA) Green Deal Scheme
 - AGMA Growing Places Loans
 - Town Centre Regeneration

- Borough-Wide Regeneration
- Car Parking
- Foxdenton
- Housing Projects in support of Government Housing Initiatives
- Equity Home Loans
- Supported Housing for Adults With Complex Learning Disabilities
- Greater Manchester Devolution and Related Initiatives
- Partnership and Joint Working
- Matched Funding for Grant Bids
- Supporting the Council's Co-operative Ethos
- Refinancing of PFI and Public Private Partnership (PPP) type agreements.

2.1.12 The changes in Government policy with regard to the financing of major capital programmes, the un-ringfenced label being applied to funding (but carrying an expectation that the resource will be used for the purpose it was issued) and the limited ability of the Council to finance any further capital investment from its own resources, make it difficult to plan for new investment over the medium to longer term. Resources that are available are therefore being deployed not only to meet corporate priorities but also to meet the aspirations of residents.

2.2 Capital Programme 2016/21

2.2.1 The Council is required to set out its Capital Programme for the period 2016/21 based on the principles of the Capital Strategy (as set out in Appendix 1). A five-year timeframe has been adopted. The Capital Programme and Capital Strategy have, at this stage, been prepared on the basis of grants known at the time of preparation. If additional resources become available, projects that meet the Council's strategic capital objectives will be brought forward for approval.

2.2.2 Clearly, the Capital Programme for 2016/17 is influenced by the performance of the Capital Programme for 2015/16. A review has taken place of planned spending in 2015/16 and the programme has been re-profiled as necessary.

Update on the 2015/16 Capital Programme

2.2.3 The Capital Programme for 2015/16 was approved at the Council meeting of 25 February 2015, with expenditure of £90.645m and supporting financing. This was supplemented by re-profiling of £26.593m from the previous year and has subsequently been amended month on month to reflect agreed changes. This includes the 2015/16 annual review of the Capital Programme, a comprehensive project by project scrutiny of the Capital Programme conducted by the Capital Investment Programme Board over the summer/autumn months.

2.2.4 The monitoring report for the 2015/16 to 2019/20 Capital Programme at month 8 has been prepared and was presented to Cabinet on 11 February 2016. At month 8, total capital spending for 2015/16 was estimated to total £78.358m matched with corresponding financing. The Economy and Skills programme, which include all the major regeneration projects, constitute the major area of expenditure (£61.169m) and prudential borrowing is the main source of financing (£38.376m).

2.2.5 The Capital Strategy has been prepared to balance to the information contained in the month 8 monitoring report but also to reflect more recent developments. The most up to date 2015/16 Capital Programme estimates revised total expenditure of £68.332m together with corresponding financing of £72.684m (including estimated capital receipts totalling £11.145m), allowing resources of £4.352m to be carried forward to be used to finance deficits in later years. The latest approved and the current re-profiled Capital Programmes are set out in Table 1 below.

Table 1 Revised 2015/16 Capital Programme

Directorate	Capital Programme as at M08	New schemes/ Variations	Re-profiled Programme for Strategy
	£k	£k	£k
Expenditure			
Co-operatives and Neighbourhoods	10,580	-557	10,023
Health and Well Being	1,817	-427	1,390
Corporate and Commercial Services	4,126	-571	3,555
Economy and Skills	61,169	-8,210	52,959
Housing Revenue Account	462	-57	405
Funds Yet to be Allocated	204	-204	0
Total Expenditure	78,358	-10,026	68,332
Resources			
Grants and Other Contributions	-30,004	2,232	-27,772
Prudential Borrowing			
- General	-31,631		-31,631
- Underwriting External Funding	-6,745	5,940	-805
Revenue	-1,462	131	-1,331
Capital Receipts Required	-8,516	1,723	-6,793
Total Resources	-78,358	10,026	-68,332
Capital Receipts Available	-11,145		-11,145
Expenditure to be Funded from Capital Receipts	-8,516		-6,793
Over Programming / (Carry Forward) Position	-2,629		-4,352

2.2.6 As referred to at 2.2.3 above, Members will recall that there has been a review of the Capital Programme undertaken during 2015/16, as in previous years, to ensure that planned expenditure is still relevant and that projects are aligned with corporate objectives. The Capital Programme for 2015/16 (and future years) reflects the results of the review, which delivered an initial reduction in spending of £3.021m, £1.921m of which was immediately transferred to other priority schemes leaving a

net contribution of £1.100m to Funds Yet to be Allocated. To date a further £200k has been transferred to projects, leaving £900k of unallocated resource in 2016/17.

2.2.7 It is anticipated that the position will change with amendments reviewed by the CIPB and approved under delegated authority as a result of the on-going monitoring process.

Capital Programme 2016/17 to 2020/21

2.2.8 The table below sets out the summary of the anticipated expenditure: £80.545m for 2016/17 and available financing of £79.321m, which incorporates resources carried forward from 2015/16. The detailed programme is set out at Annex C of Appendix 1 on a Portfolio basis. The under-programming in 2016/17 is carried forward into 2017/18 where it balances out with a corresponding amount of over-programming.

Table 2 Capital Proposals for 2016/17 to 2020/21

Proposed Capital Spending	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
Co-operatives and Neighbourhoods	11,888	3,536	2,473	2,173	2,173
Health and Wellbeing	2,655	400	400	400	400
Corporate and Commercial Services	1,055	249	249	249	249
Economy and Skills	59,431	73,824	4,022	1,285	500
Housing Revenue Account	114	0	0	0	0
Funds Yet to be Allocated	5,402	0	0	0	0
Total Expenditure	80,545	78,009	7,144	4,107	3,322
Total Funding	-79,321	-79,233	-7,144	-4,107	-3,322
Balance of Resources available by year – over/(under) programming	1,224	-1,224	0	0	0
Cumulative Balance of Resources – over/(under) programming	1,224	0	0	0	0

2.3 Resources Available to Support the Capital Programme

2.3.1 As in the last two years, the level of Government resources remains buoyant with a number of sizeable grants for 2016/17 and future years having been initially announced in the latter part of the 2014/15 financial year. The main source of grant income remains education-related with Basic Need Formula funding allocations totalling £20.909m for 2016/17 and 2017/18. The School Condition Allocation grant had an indicative allocation of £1.855m for 2016/17 and £1.755m for 2017/18. A recent update has slightly revised this amount by confirming the 2016/17 allocation as £1.860m. In addition Highways Maintenance funding of £2.248m has been confirmed for 2016/17.

The resources available to support the programme are described in more detail in the following section.

Government Grant Funding

2.3.2 The Government resources available to the Council can be split into two categories: un-ringfenced and ringfenced resources, as explained in Section 5 of the Capital Strategy.

2.3.3 Some Government grant resources have been moved between financial years in order to support re-profiled expenditure. Table 3 below summarises the level of un-ringfenced Government resources available in 2016/17 and future years with Table 4 presenting ringfenced resources.

Un-Ringfenced Grants

2.3.4 The 2016/17 allocations that the Council has had confirmed at this time are:

- a) The Education Basic Need allocation of £5.504m for 2016/17 remains as notified in December 2013, as does the allocation of £15.405m for 2017/18 as notified in February 2015. There have been no further announcements since that date although 2016 notifications remain a possibility.
- b) Department for Transport (DfT) grant for Local Transport Funding has been formally confirmed as £2.248m for 2016/17 together with £2.180m for 2017/18. This funding is notionally allocated at an individual authority level but is paid to the Greater Manchester Combined Authority (GMCA), which determines the distribution of resources across the ten Greater Manchester Local Authorities and Transport for Greater Manchester. It is therefore assumed that the Council will receive its full allocation for the duration of the current programme, totalling £5.920m for the final three years of the programme. Whilst LTP funding is un-ringfenced, the DfT and the GMCA both have an expectation that it will be invested in delivering the Local Transport Plan strategy. The Council's policy is to passport transportation grant funding to support the LTP programme.
- c) The Social Care Reform Grant will not continue in 2016/17. However the Department of Health has, on 10 February 2016 confirmed Better Care Funding in the form of the Disabled Facilities Grant (DFG) amounting to £1.618m for 2016/17, in total more than compensating for the cessation of the aforementioned grant. As in 2015/16 it remains a pooled budget linked into a joint programme of spending with the NHS. There is an additional Council-funded top-up of £0.400m in each of the years of the programme to support DFG and adult social care related expenditure..
- d) In February 2015 the Department for Education announced details of the Schools Condition Allocation Grant. The Oldham allocation for 2015/16 was £1.955m. More recently (February 2016) the 2016/17 allocation has been confirmed as £1.860m. Once again the most recent allocation is to be taken as indicative of the likely award in the following year. Assuming that further Oldham schools will convert to academies and that associated funding will be lost £1.755m has been included in for 2017/18.

Other Grants

2.3.5 In addition to specific 2016/17 grants, the Capital Programme relies on a range of grants carried forward from 2015/16 to support the overall level of planned spending, this includes those for which there are new allocations in 2016/17 plus grants carried forward from 2015/16 which are not currently expected to be awarded in 2016/17. The current position as regards both is illustrated in table 3 below.

2.3.6 In the same way as for the LTP funding referred to above, it is the Council's policy to passport un-ringfenced grants directly to services, namely: Disabled Facilities Grant, Education Basic Need and Schools Condition. This explains why they are included in table 3 rather than table 4. The grants are effectively treated as if they were ringfenced.

Table 3 Un-Ringfenced Grants

	2015/16 C/Fwd £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2019/21 £k
Basic Need Capital Grant	-593	-5,504	-15,405	0	0	0
Local Transport Plan - Highway Maintenance Grant	-468	-2,248	-2,180	-1,973	-1,973	-1,973
Local Transport Plan – Grant/Loan	-941	0	0	0	0	0
Disabled Facilities Grant	-355	-1,618	0	0	0	0
Schools Condition Allocation	-2,460	-1,860	-1,755	0	0	0
Universal Infant School Meals (Kitchens)	-115	0	0	0	0	0
Prior Year Grants Carried Forward	-466	0	0	0	0	0
TOTAL	-5,398	-11,230	-19,340	-1,973	-1,973	-1,973

Ringfenced Specific Grants

2.3.7 Throughout the course of 2015/16 the Council has been notified of a number of ringfenced grants. The full award of Highways Maintenance Challenge Fund was confirmed by the DfT on 18 June 2015; this was a three year allocation commencing 2015/16. The confirmed 2016/17 and 2017/18 awards are shown in table 4 below.

2.3.8 On 17 August 2015 the Authority was notified of a successful bid for Round 2 of Local Growth and Reform Funding in the sum of £4.970m; £830k was allocated to 2015/16 (with £800k slipping into 2016/17), the remaining allocation is split between 2016/17 and 2017/18. The funding is allocated to transport projects (£0.640m) and regeneration schemes (£3.500m).

2.3.9 Flood Management Funding from the Environment Agency has been allocated for 2015/16 and 2016/17 totalling £0.500m. The 2016/17 allocation is £0.185m. A requirement for matched funding of £0.065m has been committed elsewhere within the Capital Programme.

2.3.10 The 2016/17 allocation of Schools Devolved Formula Capital (DFC) has been confirmed as £0.430m.

Table 4 Ringfenced Specific Government Funding for 2016/21

	2015/16 C/Fwd £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
Highways Maintenance Challenge Funding	0	-1,732	-906	0	0	0
Local Growth and Reform (Round 2) - Transport	0	-640	0	0	0	0
Local Growth and Reform (Round 2) - Regeneration	-800	-2,000	-1,500	0	0	0
Cycle City Ambition Grant	-915	0	0	0	0	0
Flood Defence – Flood and Coastal Risk Management Grant	0	-185	0	0	0	0
Devolved Formula Capital (Schools)	-767	-430	0	0	0	0
DfT – Local Pinch Point Funding	-228	0	0	0	0	0
Greater Manchester - Integrated Transport Block Grant	-460	0	0	0	0	0
TOTAL	-3,170	-4,987	-2,406	0	0	0

2.3.11 The resources available can also be split between those which do not have revenue consequences to be funded via the revenue budget, and those that do have revenue consequences.

Funding With No Revenue Consequences

1) Government Grants and other external grants and contributions

This is funding provided directly by Government or other external providers. It can be ringfenced, specific and un-ringfenced. All Government funding is now via direct grant. In addition to the Government grants identified in tables 3 and 4 above it is anticipated that funding of £7.500m in 2017/18 will be received from other sources.

2) Capital Receipts

This is money received from the sale of Council assets and is usually un-ringfenced. It includes for 2016/21, the First Choice Homes Oldham VAT Shelter arrangement and the commencement from 2017/18 of the repayment of maturing Local Authority Mortgage Scheme (LAMS) indemnities.

The 2016/17 Capital Programme requires the generation of £12.099m of capital receipts which exceeds the estimated actual income (including receipts brought-forward from 2015/16). The resultant over-programming of £1.224m is carried forward into 2017/18 where sufficient receipts will be available to finance the prior-year shortfall and meet the in-year requirement. In general it should be noted that a prudent approach is taken in relation to the anticipated level of receipts with no resources anticipated in excess of the requirement to support already approved schemes.

This is because the property market, whilst improving, remains generally depressed which impacts on the:

- i) Ability of the Council to sell assets within the timescale anticipated.
- ii) Level of receipts that can actually be generated, which may be less than originally expected.

Funding With Revenue Consequences

1) Prudential Borrowing

This is borrowing undertaken by the Council for specific projects. It is financed by revenue resources and is entirely at the discretion of the Council. Prudential borrowing has been used to support the major investment programme which could not otherwise have been funded.

The 2016/17 programme estimates outright prudential borrowing of £27.070m that will be used to finance a range of schemes, predominantly in relation to development and infrastructure activities.

In addition, prudential borrowing has in the first instance been applied to underwrite grant applications and other contributions, including anticipated fundraising receipts (£9.440m in 2016/17). This borrowing may therefore not be required.

2) Revenue Contributions

The Council can finance capital using revenue resources and it is planned to use £4.5m of 2015/16 council revenue underspending on capital financing costs, due to delays in the Capital Programme, to support the 2016/17 Capital Programme.

2.3.12 Table 5 below sets out the overall level of available resources by category for the period 2016/21.

This shows that in total, funding for the Capital Programme in 2016/17 is £79.321m, with the majority of funding comprising the various categories of prudential borrowing referred to above.

There is £24.785m of Government grant funding and other contributions, an estimated income of £6.523m from planned capital receipts in 2016/17 plus an estimated £4.352m brought-forward from 2015/16 and a further £7.152m contribution from revenue resources.

Table 5 Total Resources Available for the Capital Programme

	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
No Revenue Consequences					
Capital Receipts	-6,523	-7,114	-6,232	-1,280	-1,280
Council Resources Carried Forward	-4,352	0	0	0	0
Grants and Other Contributions	-24,785	-29,246	-1,973	-1,973	-1,973
Total	-35,660	-36,360	-8,205	-3,253	-3,253
With Revenue Consequences					
Prudential Borrowing					
- General	-27,070	-36,506	1,061	-854	-69
- Underwriting External Funding	-9,440	-1,500	0	0	0
Other Revenue Contributions	-7,152	-4,867	0	0	0
Total	-43,662	-42,873	1,061	-854	-69
TOTAL	-79,321	-79,233	-7,144	-4,107	-3,322

2.3.13 As in previous years, the major source of financing remains prudential borrowing; the amount required includes borrowing attributed to schemes that have slipped from prior years. The Council will look to reduce the amount of borrowing by maximising grant income, optimising income from capital receipts and the utilisation of reserves and provisions to deliver revenue savings in relation to the cost of borrowing. As previously indicated, some borrowing will be financed by increased income and revenue streams generated at the point when projects are completed and become operational. In addition, 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. No new borrowing has yet been undertaken.

2.4 Capital Requirements for 2016/17

Resources Committed in 2016/17 to 2020/21

2.4.1 A review of the Capital Programme has highlighted that there is already a full range of commitments for the period 2016 to 2021. As a consequence, these commitments utilise most of the capital resources available for 2016/21. The existing capital commitments are set out in the follow paragraphs and are shown in detail at Annex C of Appendix 1 of this report.

Cooperatives and Neighbourhoods

2.4.2 Total projected spending on Cooperatives and Neighbourhoods projects in 2016/17 is £11.888m over the following areas:

1) Transport Schemes – Government Grant-Funded

Grant funding totalling £4.805m has been notified for 2016/17, as summarised below. In addition grant funding of £2.784m, from a number of sources,

originally allocated in 2015/16, has been re-profiled into 2016/17.

- LTP maintenance grant, in the sum of £2.248m has been confirmed in accordance with an agreement between the DfT and the GMCA.
- £0.640m of Local Growth and Reform (Round 2) funding has been allocated to transport projects in 2016/17.
- Challenge Funding amounting to £3.16m, payable over the three years commencing 2015/16, with allocations of £1.732m in 2016/17 and £0.906m in 2017/18 which requires a council contribution of £0.840m
- Flood Management Funding from the Environment Agency; the 2016/17 allocation is £0.185m with a requirement for matched funding of £0.065m

2) Transport Schemes – Other

Funding of £1.273m has been made available for fleet management in 2016/17.

There are a range of other transport-related projects within the 2016/17 Capital Programme totalling £1.054m; all schemes have been re-profiled from 2015/16.

3) Other Cooperatives and Neighbourhoods Schemes

There is a total of £1.972m of 'other' directorate projects included within the 2016/17 programme, examples include:

- £200k per year over the life of the programme to finance a District Investment Fund to facilitate the initiating of a range of projects in District Partnership areas, with an additional £100k to support the Green Dividend initiative which has been re-profiled from 2015/16.
- Private Sector Housing: this includes Equity Home Loans with provision of £503k in 2016/17, financed by capital receipts.

Health and Wellbeing

2.4.3 Projected spending on Commissioning Services is £2.655m in 2016/17; this is focussed on Social Care and comprises:

- Funding of £1.618m relating to the expansion of the Disabled Facilities Grant.
- Resources of £400k specifically allocated in 2016/17 to support local Adult Social Care Schemes.

Corporate and Commercial Services

2.4.4 Total projected spending on Commercial Services projects, all IT-related, amounts to £1.055m in 2016/17 and includes:

- £0.141m in 2016/17, and £69k in subsequent years, for the integrated Agresso system upgrade and improvements.

- £160k for the IT server refresh programme in line with the Council's ICT contract with the Unity Partnership.
- £20k expenditure for ensuring that the Council complies with Government Connect initiative requirements.

These ongoing IT projects are contractual commitments and are financed across all years of the Capital Programme.

Economy and Skills

2.4.5 There is planned expenditure of £59.431m in 2016/17 and £73.824m in 2017/18 predominantly relating to schemes financed by the ongoing capital investment programme. The major areas of expenditure in relation to 2016/17 are as follows:

- Town centre regeneration of £29.509m, including the Old Town Hall, Princes Gate and the Heritage Centre/Coliseum projects.
- Other priority regeneration schemes including Hollinwood/ Langtree, public realm and development of Foxdenton totalling £7.112m.
- Royton Development at £1.300m (including slippage of £0.300m)
- Resources of £1.745m to support provision of the new Saddleworth school (including slippage of £1.045m).

Corporate Landlord

2.4.6 This encompasses a range of schemes:

- Resources available for major repairs/DDA (including Hobson Street car park) and schools condition works have initially been set at £8.591m in 2016/17.
- Further schools-related expenditure of £9.279m in 2016/17; £7.795m of which is to address the shortage of pupil places by building a new 3 form entry primary school in the town centre (replacing the existing Greenfield primary) and by increasing provision at Oasis Limeside school. The majority of this expenditure is financed by Basic Need grant. In addition there is Devolved Formula Capital expenditure brought forward from 2015/16 of £0.767m, plus the 2016/17 confirmed funding of £0.430m.

2.5 Proposed Capital Programme

2.5.1 Annex C of Appendix 1 of this report details the proposed 2016/17 Capital Programme and the indicative programme for the period 2017/21. The strategy of the Council is to prepare a Capital Programme that balances over the life of the programme so that resources equal overall expenditure. There is currently an unallocated resource of £5.402m in 2016/17, the use of which will be prioritised by the CIPB during the year and, if applicable, carried forward into future years. There will therefore be no anticipated unallocated resources in the Capital Programme or Capital Strategy.

2.5.2 Total expenditure in 2016/17 is planned at £80.545m with over-programming of £1.224m, to be balanced out in the following year. However, the position is anticipated to evolve:

- There may be further Government funding allocations announced prior to the start of 2016/17.
- It is also likely that there will be new initiatives announced later in the financial year.
- 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.

2.5.3 Therefore the overall Capital Programme position will be kept under review and any new information about funding allocations will presented to Members in future reports.

3. **Options/Alternatives**

3.1 Members may choose to accept the proposed Capital Strategy and Capital Programme, or revise and suggest an alternative approach to capital investment, including the revision of capital priority areas.

4. **Preferred Option**

4.1 The preferred option is to accept the proposed Capital Strategy and Capital Programme as set out in this report, including priority investment proposals, and to thus approve the proposed Capital Strategy and Capital Programme for 2016/17 and the indicative Capital Programme for 2017/21

5. **Consultation**

5.1 Consultation has taken place with the members of the CIPB which includes Cabinet Members. Members of the CIPB have contributed to the preparation of the 2016/21 Capital Strategy and Capital Programme. The programme and strategy were considered at Overview and Scrutiny Performance and Value for Money Select Committee on 21 January 2016, which forms a key part of the consultation process. Cabinet considered and approved the report at its meeting on 11 February.

6. **Financial Implications**

6.1 By the very nature of this report, it contains financial details of the capital expenditure and financing associated with the delivery of the 2016/17 Capital Programme.

6.2 As the Government now only funds capital expenditure by grant, there are no more supported or unsupported borrowing approvals which means that any revenue implications of Government borrowing will therefore relate to historic debt incurred in 2010/11 and earlier years. This is already budgeted for. The revenue budget for 2016/17 and future years has been prepared to include the financing costs of anticipated prudential borrowing

7. Legal Services Comments

- 7.1 Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 the responsibility for approving any plan or strategy for the control of local authority borrowing, investment or Capital Strategy or for determining the minimum revenue provision is a decision of the full Council. The function of the Executive is to prepare and propose the relevant strategy to the Council. The Council may require the Cabinet to reconsider, amend, modify, revise, vary, withdraw or revoke the strategy.

8. Co-operative Agenda

- 8.1 The Capital Strategy and Capital Programme have been prepared so that they embrace the Council's co-operative agenda with resources being directed towards projects that support the aims, objectives and co-operative ethos of the Council.

9. Human Resources Comments

- 9.1 None

10. Risk Assessments

- 10.1 The main risk foreseen at this stage is whether the planned level of capital receipts can be achieved to finance the current Capital Programme. Clearly, given the current economic climate, the sale of property has become more difficult and the level of receipts that can be generated has reduced, often below originally-planned levels. In order to minimise the risk, a prudent estimate of capital receipts has been made, having regard to the prevailing economic climate which may have an impact on both the timing and level of receipts that can be achieved. The overall level of capital receipts is therefore kept under review and any significant changes are reflected in Capital Programme forecast outturn figures.
- 10.2 Actual and potential revisions to Government policy present new risks. The Council must ensure that these are successfully managed, over and above those that are a consequence of any traditional Capital Programme. In particular these cover risks around expenditure that has already been committed in future years where there is no certainty of continued funding, potential un-funded ongoing legal liabilities, potential overspending requiring an un-budgeted allocation of resources and the general risks around the uncertainty over the nature and level of the 2016/17 and future years' capital funding.

11. IT Implications

- 11.1 Other than the delivery implications of the specific IT projects being put forward there are no IT implications. The programme of ICT investment contained within the Capital Programme will enable the Council to transform many of its operations and introduce new ways of working. This will contribute to the achievement of existing savings targets and enable the Council to make further efficiencies.

12. Property Implications

- 12.1 The level of capital receipts generated from reductions in the corporate estate and the asset rationalisation programme underpins the financing of the Capital Programme. Every effort will be made to maximise capital receipts while delivering outcomes that support corporate priorities.
- 12.2 Any proposed new capital projects and Capital Programme developments will be considered and reviewed in the context of the Medium Term Property Strategy.

13. Procurement Implications

- 13.1 None.

14. Environmental and Health & Safety Implications

- 14.1 The Capital Programme includes resources that will enable corporate health and safety, legionella, asbestos and Disability Discrimination Act projects to be undertaken in accordance with identified priorities.

15. Equality, community cohesion and crime implications

- 15.1 None

16. Equality Impact Assessment Completed?

- 16.1 Not applicable

17. Key Decision

- 17.1 Yes

18. Forward Plan Reference

- 18.1 CFHR-23-15

19. Background Papers

- 19.1 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 within Appendix 1
Officer Name:	Anne Ryans
Contact No:	0161 770 4902

20. Appendices

- 20.1 Appendix 1 – Capital Strategy 2016/21

Oldham Council

Capital Strategy 2016/2021

Capital Strategy 2016/21

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Annex A - Current Capital Priorities

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1 **Aims of the Capital Strategy and its Links to the Council's Corporate Property Strategy and Budget Framework**

The overarching aim of the 2016/21 Capital Strategy is to provide a framework within which the Council's capital investment plans will be delivered. It has been prepared to cover a five year time-frame from 2016/21. Recognising that there is some uncertainty, especially in relation to funding in later years, the Strategy therefore focuses on 2016/17 and 2017/18 in detail. Investment plans are driven by the Council's Corporate Plan, the last refresh of which was approved at the Council meeting of 20 May 2015. The Council has set out its goal to deliver a Co-operative Future where everyone does their bit to create a confident and ambitious borough. The Co-operative Future will be made possible through the delivery of three corporate objectives:

- **A productive place** where business and enterprise thrive;
- **Confident communities** where everyone does their bit; and
- **A Co-operative Council** delivering good value services to support a co-operative borough.

These objectives reflect the on-going commitment to ensure the Council works to serve the people of Oldham in all that it does and provides strong leadership for the borough. Such leadership is essential if the borough is to be able to meet the immediate challenges faced in a way that means it is stronger and able to make the most of opportunities in the future.

The Capital Strategy must also align to the Medium Term Property Strategy (MTPS) (formerly the Asset Management Plan). This is currently being revised to reflect most recent service transformation changes and financial challenges.

The MTPS sets out a framework for strategic management of the Council's land and property portfolio, reflecting corporate priorities, aims and objectives and driving transformational change in service delivery. Aligned to service priorities, individual schemes are included within approved capital spending plans or are to be considered for a resource allocation over the period of the Capital Strategy.

The revised MTPS will incorporate the Community Use of Assets Framework, reflecting statutory requirements and aligned to the Council's Co-operative ethos. In addition it will encompass the emerging Building Maintenance Policy which sets a clear process protocol, prioritising assets closely aligned to future investment requirements.

The Council is currently reviewing the structure of the property function and anticipates making further changes which will improve the way in which the strategic property objectives can be delivered. This will enable the Council to accelerate progress and realise benefits within a shorter timeframe, whilst maximising regeneration and inward investment opportunities.

In addition, the 2016/21 Capital Strategy will be influenced by the principles which frame the overarching budget process for 2016/17, which are driven by the concept of a Co-operative Council. The Council is therefore aiming to take a strategic view in relation to capital investment so that it can be directed to make a real and demonstrable impact on the economy of Oldham by:

- Regenerating the borough, building on the investment programme first approved during 2012/13 and as amended in subsequent years, by attracting and securing significant amounts of external investment to supplement Council resources and deliver an enhanced borough-wide regeneration offer.
- Prioritising the regeneration investment to develop the local economy and to support job creation and the Get Oldham Working initiative.
- Using the regeneration investment to drive up Gross Value Added (GVA) and increase the yield from business rates, taking advantage of the current Local Government Finance regime that enables some business rate growth to be retained and in anticipation of 100% Business Rates retention in the future. This will provide additional resources which can either be used to support the Council's budget or to increase opportunities for further investment.

The Council will also:

- Work with partners as a co-operative and commissioning borough
- Instigate further transformational approaches to delivery of services with and by communities and staff, that maximise involvement and delivery at a more local level, working with residents to reset priorities, manage expectations and promote self-help.
- Get the basics right, drive improved business performance with more flexible ICT systems and instigate new delivery models with place-based working.
- Focus on effective service delivery, achieving social value and maximising the impact of the resources invested.

The corporate objectives therefore also help underpin one of the main priorities of the Council which is the continuing development of a new relationship with citizens, communities, partners and staff.

2 The Principles of the Capital Strategy

Having regard to the aims of the Capital Strategy in the achievement of corporate objectives, in order to focus capital resources and to gain maximum benefit from their use, the overarching principles of the Capital Strategy as detailed in the rest of the document are summarised as follows:

- 1) The Capital Investment Programme Board (CIPB) will lead the strategic direction of capital investment for the Council. The CIPB will operate on a commissioning basis. This will enable funding to be better-aligned with other partners and funding sources and will link into the principles of the Co-operative Council. In accordance with the commissioning approach being championed within the Council, there continues to be a requirement for links to regional strategies and programmes. As such, the Council must ensure that, when it applies for funds on a regional basis (either individually or part of a collective bid), it uses its best endeavours to reflect local and regional priorities. The Council must therefore ensure that its Capital Strategy reflects the Greater Manchester (GM) Strategy and links into those of other GM Authorities.
- 2) The first call on capital resources will always be the financing of any over-programming from previous financial years. In addition, all schemes already approved in the capital programme or contractually committed will be supported and sufficient resources will be provided to enable them to proceed or complete. These schemes are presented in Annex A, Current Capital Priorities.
- 3) A capital project sponsor must also be able to demonstrate that a rigorous process of options appraisal has been followed, requiring evidence of need, cost, risk, outcomes and methods of financing. Capital investment proposals which will result in a revenue cost saving or efficiency are encouraged. The Strategic Regeneration Project Management Office has a clear role in ensuring that all the key questions have been asked at the initiation stage of a project.
- 4) All capital investment decisions will be made with reference to Council objectives and regional strategies and, only after a positive contribution to one or more of the objectives has been demonstrated, is a project to be considered for resource allocation.
- 5) The CIPB will ensure that the Council can take full advantage of the increased freedom and flexibility afforded by the removal of ringfencing from most funding allocations to facilitate achievement of the Council's objectives. All un-ringfenced capital funding and other non-specific Council capital resources that are not required to support existing commitments will initially be pooled into one central fund. Regard will however be had to obligations around the:
 - Transport agenda and transport grant funding.
 - Current pressure on primary places in certain areas of Oldham and the lack of capacity in the current stock and the Basic Need Government grant funding allocation to address such issues.
 - Funding of adaptations to homes for the disabled and Disabled Facilities Grant funding.

- Adult Social Care funding requirements arising from the pooled budget arrangements.

Unringfenced grants received in support of the above initiatives will be pass-ported in full to these four areas.

- 6) Pooled corporate resources will be managed by the CIPB; it will review all bids for resources, evaluate them and then agree on the prioritisation of resources accordingly. A proposal will be prioritised in accordance with criteria set out in Section 7 of the Strategy.
- 7) The CIPB will also review any bids for and use of any ringfenced resources to ensure alignment with other spending plans and the maximisation of benefits to the Council and achievement of Council objectives.
- 8) The CIPB will recommend the use of both un-ringfenced and ringfenced resources and also the general prioritisation of resources so that Council, Cabinet and Cabinet Members exercising delegated authority can make a final well-informed decision on the utilisation of resources, as appropriate.
- 9) There will be no ringfencing of capital receipts to specific projects, with the exception of:
 - i) The Equity Loan Initiative which was established when Housing Market Renewal (HMR) resources were ringfenced to the HMR programme.
 - ii) Saddleworth School as part of the Priority Schools Building Programme.
- 10) Building upon established good practice and the successful exercises undertaken in earlier financial years, the CIPB will initiate periodic reviews of the capital programme which will examine all schemes in the programme to:
 - i) Ensure that schemes still meet corporate priorities.
 - ii) Review schemes' continued relevance in the context of a dynamic and constantly developing organisation.
 - iii) Consider the progress of schemes, including any reasons for delayed starts or variations to approved budgetary allocations and re-phasing of planned expenditure.
 - iv) Identify any unutilised or underutilised resources.
 - v) Consider any reallocation of resources.
- 11) For the purposes of preparing the Capital Strategy and Capital Programme for 2016/17, an assumption has been made that all resources that remain unallocated within the 2015/16 programme will be treated as though they are fully-committed in 2015/16 or carried forward into 2016/17 as a central pool for reallocation to other projects.

- 12) As well as using traditional funding mechanisms to fund capital schemes, the Council will also consider the use of new initiatives and develop these options if it is considered financially advantageous in the context of the Council achieving its capital investment objectives.
- 13) Any future PFI or other similar public/private partnerships and initiatives requiring the deployment of Council capital resources or impacting in any way on the overarching capital investment policies or plans of the Council should be presented for consideration to the CIPB. The resources deployed to support such projects will also be subject to on-going review by the CIPB.
- 14) The Council is conscious that the Government could in the future introduce a range of grant funding opportunities for which bids must be submitted at short notice, some of which may have a matched funding requirement. The Council will respond as it considers appropriate to bidding opportunities, ensuring that bids are submitted which align with its objectives and capital investment priorities and that matched funding requirements are considered on a scheme by scheme basis with resource requirements prioritised accordingly.
- 15) Given the evolving devolution agenda and the expectation that the Council will work in a collaborative manner with AGMA and NHS partners, bids to the Greater Manchester Combined Authority, the NHS or other organisations which may have a matched-funding requirement will be prioritised. Regard will be given during the appraisal process to ensuring that the Council's objectives and capital investment priorities are achieved.
- 16) The Council will have a number of capital investment priorities. Whilst these are initially set on an annual basis, it will review and update the priorities in accordance with in-year developments, responding to local and national emerging issues. The priorities for 2016/21 are set out in Section 3.

3 Priority Areas for Investment

The priority investment areas identified for the 2016/21 period covered by this Capital Strategy document are set out below:

3.1 Continuation Funding

There are requirements for continued funding of existing programmes of work summarised as follows:

- i) Corporate Major Repairs /Disability Discrimination Act (DDA) Adaptations/ Legionella / Health and Safety Projects (Corporate Landlord Function)
This budget aims to enable the Council to secure the integrity of the corporate estate and ensures that the Council is compliant with its statutory obligations under DDA and Health and Safety legislation.
- ii) School Condition Works – the Council has provided resources to address the most immediate needs (priority 1) for condition works within the school estate. There is however, increasing demand on the school condition works budget to address priority one condition issues as well as other preventative works prior to arrival at priority one status.

An overarching allocation of £3.360 million of funding has been included in the 2016/17 capital programme, £2.255 million in 2017/18 and £500k per year thereafter to cover Corporate Major Repairs, DDA Adaptations, Legionella, Health and Safety Projects (Corporate Landlord Function) and also school condition works. The Capital Investment Programme Board (CIPB) continues to recommend, as a priority, that the first call on any future underspends identified within the Capital Programme is to cover the works outlined above. The allocations include the confirmed School Condition Allocation (SCA) funding for 2016/17 and an indicative estimate for 2017/18.

3.2 New Projects

New projects for which funding may be required and for which funds could be allocated are as follows. Each of these projects would need to be progressed by the submission of detailed and fully costed business cases demonstrating how they take forward corporate priorities. These projects are:

- i) Adult Social Care - Mindful that the Council has extensive responsibilities to deliver an adequate standard of adult social care, the Council will consider the utilisation of available Government resources and any local funding to address identified needs or opportunities to support income generation and facilitate enhanced service provision.
- ii) Unforeseen emergency/health and safety works – Mindful of its responsibilities, the Council will consider requirements relating to works which fall outside the scope of the current programme and/or budgetary provision.

- iii) Low Carbon and Energy Efficiency Initiatives - The Council wishes to invest to support its pursuit of the green agenda and address carbon reduction requirements. The Council has a requirement to ensure that it is seeking to maximise energy efficiency. Most energy efficiency and renewable energy projects the Council would like to undertake can be delivered through a number of efficient OJEU compliant framework agreements and pay back their investment over varying periods of time from a combination of Government subsidies and the actual energy savings themselves, making prudential borrowing a viable option for such schemes. The Council will also consider options to work jointly with other Local Authorities on out of borough projects that will benefit Oldham and enhance the Council's contribution to energy efficiency. A photo voltaic pilot scheme, funded from the HRA is being assessed and a number of further initiatives are currently being considered including wind farms and additional solar panels as well as more traditional energy efficiency schemes.
- iv) School investment/ Pupil Place Pressures - There continues to be pressure on primary places within certain areas of Oldham, with little or no capacity at a number of schools. The success of the Gateways to Oldham Housing project together with other potential residential developments, including those as a result of the potential sale of surplus school sites, will also impact on the capacity of schools local to these developments. The recently-completed Targeted Basic Need programme created additional capacity for five school projects (four primary school extensions and a new special academy). The Department for Education previously announced a significant injection of resources with the notification of £10.745 million Basic Need funding over the two years 2015/16 and 2016/17 with a further £15.405 million in 2017/18. Work commenced in July 2015 on a new 3 form entry primary school and, in December 2015, a series of works, utilising a portion of the Basic Need funding, received Cabinet approval. School capacity and the standard of the facilities within schools remains a priority and the Council will consider additional investment in its own right or to complement any Government resources that may become available.
- v) Priority Schools Building Programme (PSBP) - The preferred site for Saddleworth School was announced in January 2015, with an anticipated opening in early 2018. The Council has earmarked a total of £2.019 million of resources to support the programme; however current forecasts suggest this may not be sufficient to fully deliver the scheme

In February 2015 the Council was notified that, of the bids submitted, only the PSBP Round 2 (PSBP2) bid for Royton and Crompton had been successful. The precise level of funding available remains unconfirmed. Meetings are ongoing with the Education Funding Agency (EFA) to agree the scope of this project, the latest programme is that the EFA will be carrying out further feasibility works over the period April 2016 – June 2016, as a result of which they will be making recommendations as to the scope of works.

Greenfield Primary School remains a priority for the Council despite confirmation that PSBP2 funding will not be forthcoming. Cabinet, at its meeting on 14 December 2015 approved the reallocation and re-phasing of approved funding for a number of projects, together with the application of £1.264 million of the 2017/18 Basic Need allocation to facilitate a £6 million total rebuild of the school, incorporating a permanent expansion of the school from 20 places per year to 60 places per year.

- vi) Playing Pitch Strategy - The Council is currently updating its Playing Pitch Strategy and will therefore aim to attend to any works arising from the Strategy.
- vii) Surplus Sites - The Council has an extended portfolio of surplus sites scheduled for disposal, for which up front capital funding may be required for enabling and other works to ensure that the land is suitable for commercial redevelopment. The capital programme is reliant on the income generated from these sales. It should also be noted that the pool of available sites for sale is potentially going to be significantly reduced by the ear marking of key plots to be included in a Joint Venture Development Company to support town centre and borough wide regeneration. The benefits from assets sales will be realised over a longer period.

The 2015 Spending Review gave local authorities powers to use capital receipts to fund the revenue costs of transformation projects. On 17 December 2015 the Government issued draft guidance on this flexible use of capital receipts, intended to be effective from 1 April 2016. The opportunities presented and any potential impact on the Council's capital programme will be reported in due course.

- viii) Association of Greater Manchester Authorities (AGMA) Green Deal Scheme - Whilst the Council has not been required to provide resources to earlier phases of the AGMA Green Deal initiative, resources may be required to support further specific AGMA-wide energy efficiency schemes, subject to the development of suitable proposals. Clearly the Council, with its responsibility to support AGMA initiatives, will have to ensure that it is able to honour any regional obligations.
- ix) Association of Greater Manchester Authorities (AGMA) Growing Places Loans - In line with the approved AGMA scheme initiated and underwritten by the Greater Manchester Combined Authority (GMCA), the Council may manage loans to qualifying businesses to support the growth ambitions as set out in the GM strategy, in accordance with requirements.
- x) Town Centre Regeneration - The Council is making a considerable investment in the town centre further extended with the announcement of the Prince's Gate retail development at Oldham Mumps. As the programme of work evolves, this may require complementary investment for additional strategic acquisitions, car parking, public realm works or

other regeneration developments, particularly around improving the retail offer, including the market.

- xi) Borough-Wide Regeneration - The Council is investing in borough-wide regeneration initiatives and again, as the position evolves, there may be a requirement for increased investment in new or existing projects.
- xii) Car Parking - There is a requirement to invest in town centre car parking. Following the closure of the Hobson Street car park, provision (£1.3 million) has been made for the deconstruction and making good of the existing structure and site. Longer term, the lack of adequate town centre car parking provision needs to be further addressed.
- xiii) Foxdenton - Although the Foxdenton area is being developed by private sector partners, there may be a requirement for public sector capital investment for enabling and infrastructure works. All avenues for such works will be explored with the inclusion of external funds where applicable.
- xiv) Housing Initiatives - The Council, linked to its revised and updated Housing Strategy, will look to utilise any Central Government funding that may become available, through either the general fund or the HRA. This could include initiatives involving and working in partnership with the private sector.
- xv) Equity Home Loans - Oldham Council takes the lead role at an AGMA level in the provision of an Equity Home Loan service. Building on the current provision (£502k in 2016/17) funding of £250k and £300k has been made available in each of 2017/18 and 2018/19.
- xvi) Supported Housing - Options are being considered to provide an alternative accommodation offer for adults with complex learning difficulties either by way of a new-build scheme or to provide an alternative housing offer utilising the existing stock
- xvii) Greater Manchester Devolution and Related Initiatives – Developments under the devolution agenda is an evolving programme of activity at the wider GM level. Working in partnership with the GMCA and other local authorities, the Council will seek to support new initiatives. Particular emphasis is also being placed on working with the NHS around the integration of adult social care. Capital investment opportunities will be evaluated and prioritised accordingly.
- xviii) Partnership and Joint Working - The Council will aim to pursue joint partnership working with other public bodies, not for profit organisations and the private sector where it is commercially advantageous to do so and to keep under review existing relationships.
- xix) Matched Funding for Grant Bids - The Council is conscious that the Government or the Greater Manchester Combined Authority may introduce a range of grant funding opportunities for which bids must be

submitted at short notice, some of which may have a matched funding requirement. The Council's strategy will be to respond as it considers appropriate to bidding arrangements, ensuring that bids are submitted which align with its objectives and that matched funding requirements are considered on a scheme by scheme basis with resource requirements prioritised accordingly.

- xx) Supporting the Councils Co-operative Ethos - The Council will aim to support projects which promote its co-operative ethos, subject to the presentation of an appropriate business case.
- xxi) Refinancing of PFI and Public Private Partnership (PPP) type agreements – The Council will participate in the refinancing of either equity share or bank funded debt where it is considered financially and/or operationally advantageous for the Council to do so.

4 Devolution Manchester- The Greater Manchester Strategy

Devolution Manchester has seen a fast paced change in the Greater Manchester (GM) governance and funding programmes. Devolution involves the transfer of certain powers and responsibilities from national Government to GM. The agreement also gives GM much more power over budgets currently administered by Central Government.

The Government will pool and devolve relevant central funding on local transport for the City Region (where it has not already been devolved in some other form e.g. Local Growth Fund), and has provided a multi-year settlement on the same basis as capital and resource settlements given to Central Government departments and Transport for London.

In addition Government has devolved the control of a new £300million Housing Fund; this will be operated similarly to the GM Investment Fund. This will ultimately be administered by the new directly elected GM Mayor as will the management of a reformed Earn Back deal providing resources of £30 million a year for the next 30 years.

The Earn Back Model uses a formula, linked to changes in rateable values over time at the GM level, to provide a revenue stream to GM over 30 years if additional GVA is created relative to a baseline. Earn Back provides an additional incentive for GM to prioritise local government spending to maximise GVA growth. If successful in driving economic growth, under Earn Back, Manchester will receive a larger proportion of resultant tax take generated from this growth than would otherwise be the case under business rate retention. The 'earned back' resources would be used for further investment, similarly prioritised on net GVA impact at GM level. This will create a genuinely revolving Investment Programme which rewards GM for delivering growth.

4.1 Greater Manchester Strategy

Investment priorities at a GM level will remain guided by the Greater Manchester Strategy (GMS). However investment proposals will be determined through the Chief Executive Investment Group supported by a Combined Authority team based at Manchester City Council.

While the strategic approach and priorities of the GM Strategy remain as vital and relevant as ever, the changing economic and policy context means the Association of Greater Manchester Authorities (AGMA), the Homes and Communities Agency and GM partners will need to be flexible, innovative and pragmatic if the Council is to achieve the ambitions for Greater Manchester. To this end the Greater Manchester Strategy has been recently updated and is constantly reviewed.

The revised Greater Manchester Strategy describes the ambition for the city region; by 2020 all residents will be able to benefit from and contribute to a sustainable economy. In order to achieve the vision, priorities have been set which will help the region achieve its ambition by 2020.

4.2 The Vision

By 2020, the Manchester city region will have pioneered a new model for sustainable economic growth based around a more connected, talented and greener city region where all our residents are able to contribute to and benefit from sustained prosperity.

The GMS focuses on the two key drivers of growth (including housing) and reform in order to secure Greater Manchester's place as one of Europe's premier city regions. It will be recognised for its commitment to a low carbon economy and a good quality of life. Greater Manchester is administering a Housing Fund, which will ultimately be controlled by the Mayor.

The total value of the fund is £300 million over 10 years; it will be used to support the private sector in the form of recoverable loans and longer-term equity. The funding may be recycled within the private sector before returning it to Her Majesty's Treasury, with Greater Manchester guaranteeing an 80% recovery rate on principal, plus interest earned. Oldham is therefore providing a guarantee for £21 million of the total investment

Priority actions within the GMS, which all align to Oldham aims and objectives are:

- i) Creating the conditions for growth: Diversifying the economic base, developing a market facing investment strategy, creating a blueprint for successful town centres, attracting and retaining talent through investment in attractive housing offers and improving GM connectivity
- ii) Business: Growing the business base, improving international competitiveness of GM companies and capitalising on the opportunities of a low carbon economy
- iii) Worklessness and Skills: Delivering an employer led skills system, broadening the opportunities available to young people to reduce youth unemployment and creating and implementing a flexible approach to the provision of skills and employment support to enable the jobless to enter work. Helping guide the investment of the skills capital programme.
- iv) Reducing dependency and demand: Developing community budgets and taking forward the early years/troubled families agendas, reform of health and social care and support for cross public service leadership.

Some of these priorities are about making sure that the right conditions for growth exist, doing everything to encourage businesses to invest in GM and helping them to thrive when they do. Others are about changing the way that the public sector works, using resources in new ways to be more efficient and effective, and improve the quality of life of all our residents.

The new elected Mayor and the GMCA will take responsibility for making sure that priorities are delivered. Partnerships and frameworks for delivery are set up across Greater Manchester, and the GMCA will hold those partnerships to

account, checking on progress, monitoring performance measures and making sure that we are using our resources in the most effective and efficient way possible.

The approach to GM funding remains the same with a commitment to provide a revolving fund via the GM Investment Fund and Housing Investment Fund. Its aim is to develop a co-ordinated view of capital investment allowing GM to achieve more for less.

A new GM focused European Programme has now opened and a series of GM wide projects have been commissioned. There will be some opportunities for grant via ERDF but this will only be around 10% of a £220 million programme and will be focussed on business growth and low carbon initiatives. Further to that it is likely that grant will be limited to those projects that demonstrate a gap in funding and seeking support from the EVERGREEN II programme.

The Skills programme however will be devolved to the GMCA and this may have some impact on the Hotel Future project. At this time there is no indication of what might happen.

To summarise, there is a need to ensure that there is an iterative process between Oldham Council and the Greater Manchester policy/investment-making mechanisms. The Council is playing a major role in shaping the investment frameworks that supports the delivery of the GMS and as such the Capital Strategy is well aligned to the emerging frameworks. This is essential if we are to be successful in securing both public and private sector funding in the future.

In future the GM Investment Fund will demand a single pot approach to external funding and as such decisions will not be taken on the appropriateness of a funding pot to a proposal but on the strategic need of a project in delivering the GM priorities. Oldham is well placed in streamlining its aspirations for funding and has undertaken a significant amount of work in establishing a realistic priority for key projects both around the borough and within the town centre.

In order to ensure that the capital programme is aligned to the GMS and Investment Fund conditions there is a need to ensure that all elements of deliverability are covered in advance of bids for loan funding. This may mean future 'up front' investment in such things as site surveys and/or planning applications.

The 2016/21 Capital Strategy therefore includes principles and priorities which will complement the GMS and maximise external funding opportunities for the Council.

This approach is best evidenced in the changes to a range of Government grants that are now being channelled through a local Growth and Reform Plan. Greater Manchester's Growth and Reform plan setting out its aim to become a financially self-sustaining city region has been approved by Government as part of the devolution negotiations.

5 Capital Resources to Support Capital Expenditure

5.1 The Utilisation of Capital Funding Opportunities

The Council's strategy for deploying resources is to ensure that all resources are utilised to achieve Council objectives. With the Government placing a greater emphasis on regional initiatives, the Council's Capital Strategy and capital planning arrangements need to be consistent with, and linked to, the Greater Manchester Capital Strategy but also enhance the Council's own co-operative ethos and other corporate initiatives such as Get Oldham Working, with some devolving of resources and decision-making to Districts and neighbourhoods. As such, the aspirations of District Partnerships need to be considered and they will be consulted, as appropriate, over possible bids for any available funding. The District Investment Fund is retained at £200k per year throughout the life of the programme, enabling District Partnerships to bid into the fund to finance more substantial projects that meet their local priorities.

As most capital financing can be used for projects at the Council's discretion, then the Council is able to address its own priorities and shape the capital programme to a locally, rather than a nationally, driven agenda.

The Council will ensure that it takes full advantage of the freedom and flexibility arising from the removal of ringfencing of most resources to facilitate the achievement of Council objectives. All un-ringfenced capital funding and other non-specific Council capital resources, that are not required to finance existing commitments, will be pooled into one central fund. This corporate resource will then be managed so that only schemes which can demonstrate the attainment of Council capital priorities will be allocated funds. The Capital Investment Programme Board (CIPB) will review all bids for resources, evaluate them and then make recommendations to:

- i) Cabinet/Council on the prioritisation of resources for the initial 2016/21 capital programme
- ii) The appropriate decision-maker for any subsequent revisions to the capital programme

The Cabinet/Council will make the final decision on the overarching capital programme for 2016/21 and will subsequently delegate (subject to the provisions in the Council's Constitution) the updating of the programme and revisions to projects following review and recommendations by the CIPB.

The CIPB will review the usage of any ringfenced resources to ensure alignment with other spending plans and the maximisation of benefits to the Council.

In determining the size of the central fund, the CIPB will have regard to:

- i) The preparation of the statutory fourth Greater Manchester Local Transport Plan (GMLTP4) which is currently underway and scheduled for publication in 2016. It will include a long-term transport strategy for Greater Manchester to 2040 and a five year spending plan which will

be updated annually, based on confirmed funding; including the Growth Deal minor works programme allocation and other Local Transport Capital allocations. The Council receives grant funding from the LTP from the wider Greater Manchester allocation, which comes with a national and regional expectation that it will be used for LTP purposes. Oldham has been allocated a confirmed settlement of £2.248 million for 2016/17, which on receipt will be pass-ported via this Capital Strategy for investment in and maintenance of Oldham's transport network, in accordance with current Local Transport Plan expectations, along with the allocations for 2017/18 to 2020/21 as these are confirmed. The 2016/17 allocation is subject to confirmation by the Department for Transport (DfT) on completion of a data checking exercise and subsequent agreement of the distribution of the resource by Greater Manchester Combined Authority (GMCA).

- ii) The current pressure on primary places in certain areas of Oldham and the lack of capacity in the current stock. The Government has announced Basic Need allocations, £5.505 million in 2016/17 and £15.405 million in 2017/18 which, although unringfenced is understood to be intended specifically for the purpose of providing additional school places.
- iii) Confirmation on 10th February 2016 of Better Care Funding in the form of the expanded Disabled Facilities Grant funding amounting to £1.618m for 2016/17, to meet the Council's obligation to finance adaptations to the homes of disabled residents and its commitments to wider social care previously funded by the Social Care Reform grant.
- iv) Any resources allocated by Central Government after approval of the Council's 2016/17 Capital Strategy/Capital Programme.

The Council will therefore passport all of the un-ringfenced transport, education basic need and disabled facilities grants to support spending in the respective areas.

Grant funding allocations notified to the Council also include information about capital maintenance funding for Voluntary Aided (VA) schools. This grant is paid directly to the Church of England and Roman Catholic Diocesan authorities and is not therefore included within the Council's capital programme. Expenditure undertaken by the Council on VA schools is planned with regard to the availability of contributions from these grant and diocesan resources.

5.2 Methods of funding capital expenditure

1) Government Grants and Non-Government Contributions

Capital resources from Central Government can be split into two categories:

- i) Un-ringfenced – resources which are delivered through grant that can be utilised on any project (albeit that there may be an expectation of use for a specific purpose). This now encompasses the vast majority of Government funding and the Council will initially allocate these resources to a general

pool from which prioritised schemes can be financed (with the exception of transport, disabled facilities, basic need, school meals and social care grant funding).

- ii) Ring-fenced – resources which are ringfenced to particular areas and therefore have restricted uses.

Where there is a requirement to make an application to an external agency for external funding and, when appropriate, to commit Council resources as matched funding to any bid for external resources, a business case (following the three stage process described at Section 6) must be presented to the CIPB for approval. This must justify the bid for external resources and any Council matched funding.

Examples of ringfenced grants for which the Council has successfully bid and which support current capital projects include Arts Council Grant and Heritage Lottery Grant.

Additional Government grant funding notifications may yet be received and these will be incorporated into the programme as appropriate.

2) **Prudential Borrowing**

The Council will investigate opportunities to resource capital projects using prudential borrowing where plans are sustainable, affordable and prudent. Full appraisal will take place to ensure that, where appropriate, sufficient revenue returns are generated to cover the cost of borrowing.

Where it is considered that prudential borrowing is the appropriate method of funding, but it requires additional revenue financing, the cost will be built into the revenue budget planning process.

The Council approved a major programme of strategic investment in 2012/13 which has been subject to on-going refinement as schemes are developed and external funding is finalised. The CIPB will review the detailed capital expenditure plans before allocations of resources are committed to ensure that the costs of prudential borrowing are understood and affordable.

For the last three years the Council has been able to take advantage of the Public Works Loans Board (PWLB) certainty rate, whereby there is a 20 basis points discount on standard loans from the PWLB under the prudential borrowing regime for authorities that provide improved information on their long term borrowing and associated capital spending plans. The obvious benefit to the Council of the certainty rate will be reflected in the future with reduced Treasury Management borrowing costs in relation to any PWLB borrowing undertaken. It has been confirmed that the Council has qualified for certainty rate for the period 1 November 2015 to 31 October 2016.

3) **Capital Receipts**

Section 9 (1) of the Local Government Act 2003 defines a capital receipt as “a sum received by the authority in respect of the disposal by it of an interest in a capital asset”.

Section 9 (2) defines a capital asset as “an asset is a capital asset if, at the time of the disposal, expenditure on the acquisition of the asset would be capital expenditure”.

Capital receipts (other than in relation to the change included in the Provisional Local Government Finance Settlement) are restricted to use for:

- Financing new capital investment.
- Reducing borrowing under the Prudential Framework.
- Paying a premium charged in relation to any amounts borrowed.
- Meeting any liability in respect of credit arrangements.
- Meeting disposal costs (not exceeding 4% of the receipt).

In general capital receipts arising from the disposal of housing assets and for which account is made in the Housing Revenue Account (HRA), are governed by the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. In summary the regulations require that receipts arising from:

- i) Right to Buy (and similar) sales may be retained to cover the cost of transacting the sales and to cover the debt on the properties sold, but a proportion of the remainder must be surrendered to Central Government;
- ii) All other disposals may be retained in full provided they are spent on affordable housing, regeneration or the paying of housing debt.

Such receipts have reduced substantially now that the transfer of the housing stock to First Choice Homes Oldham (FCHO) is complete.

Where the sale of an asset leads to the requirement to repay grant, the capital receipt will be utilised for this purpose. Once this liability has been established and provided for, capital receipts will be available to support the capital programme as a corporate resource.

The Council will not ringfence capital receipts to specific projects with the exception of the:

- i) Equity Loan Initiative
- ii) Saddleworth School as part of the Priority Schools Build Programme

In considering the 2016/17 capital programme, and given the position with regard to capital receipts, a prudent approach has been taken and there has been no assumption of any additional capital receipts to finance new expenditure over and above those already known about and underpinning the programme.

The Council is facing considerable uncertainty about the realisation of anticipated capital receipts. The level of receipts upon which the programme relies to fund existing commitments has been affected by the depressed state of the property market which has impacted on the:

- i) Ability of the Council to sell assets within the timescale anticipated.
- ii) Level of receipt that can actually be generated, which has often been less than originally expected in the past, although more recently values in excess of initial expectations have been realised.

In addition, given the Council's objective to rationalise the corporate estate, the marketing of increasing numbers of surplus assets has the potential to affect both (i) and (ii) above and this will need to be carefully managed. A dedicated staffing resource has been put in place to manage the phased disposal of former schools sites, residual Housing Market Renewal sites and other strategic regeneration sites.

It should also be noted that the pool of available sites for sale is potentially going to be significantly reduced by the ear marking of key plots to be included in a Joint Venture Regeneration Development Company which will mean any benefit arising from the deployment of the asset will be realised over the long term.

The 2016/17 Provisional Local Government Finance Settlement introduced a revision to the existing legislation and provided Councils with the opportunity to utilise capital receipts to support revenue projects. The initiative is designed to generate ongoing revenue savings in the delivery of public services and/ or transform service delivery to reduce cost or improve the quality of service delivery in future years. The availability of capital receipts will have to be considered in this context.

The Council has established the Corporate Property Board (CPB) to take a more holistic and strategic approach to asset disposals and acquisitions. Further detail about asset reviews is provided at Section 6.2. Monitoring of capital receipts is undertaken through an officer sub-group that reports to the CIPB and the CPB; follow-up actions are initiated to address any comments raised. The capital monitoring report presented to Cabinet at months 3, 6, 8 and 9 also advises Members of receipts compared to target.

4) **Revenue Contributions**

A service or school may wish to offer some of its revenue budget to support the financing of a capital project. This is acceptable if it can be demonstrated that this funding is unfettered.

5) **Use of Leasing**

Some of the assets used by the Council are financed by a lease arrangement, for example vehicles. With the advent of Prudential Borrowing this source of financing is becoming less attractive. Indeed, the replacement fleet management policy demonstrates this development. There may however be instances where leasing could offer value for money and it will remain a consideration when options are being appraised.

6) **Value Added Tax Shelter**

One of the implications of the Housing Stock transfer that took place in February 2011 is the creation of a Value Added Tax (VAT) shelter. This will allow First Choice Homes Oldham (FCHO) to obtain the same VAT exemption on its capital works as the Council. The shelter only applies for first-time improvements and is expected to run to 2024/25. The savings are to be shared with the Council with FCHO retaining all the benefit in the first four years and the savings thereafter split 50:50 with the Council, which are estimated in total to be £14.6 million, excluding the effects of inflation, although the first £6 million may be top-sliced to deal with outstanding FCHO asbestos liabilities. Any sums received will need to be treated as a capital receipt and will bring a direct benefit to the Council from 2015/16.

First Choice Homes (FCHO) has provided an indicative notification of the release of resources from the VAT shelter from 2015/16. Mindful of the level of prudential borrowing that the capital investment programme requires and also the associated revenue consequences of servicing the debt, estimated capital receipts from the VAT shelter have been used to reduce the level of prudential borrowing required from 2015/16 onwards.

7) **Section 106 Agreements**

In considering an application for planning permission, the Council may seek to secure benefits to an area or restrict uses or activities related to a proposed development through the negotiation of a 'planning obligation' with the developer. Such obligations, authorised by Section 106 of the Town and Country Planning Act 1990, generally either improve the quality of the development, or overcome difficulties which would otherwise result in planning permission being refused. A planning obligation must be:

- i) Necessary to make the development acceptable in planning terms;
- ii) Directly related to the development; and
- iii) Fairly and reasonably related in scale and kind to the development.

As such, therefore, the Council may in some instances receive funds to enable it to undertake works arising from these planning obligations. Examples of the use of planning obligations are the:

- Provision of affordable housing.
- Improvement to community facilities - Public open space/play areas, educational facilities.
- Improved transport facilities - contributions have previously been used towards Oldham bus station, park and ride and provision of cycle lanes.
- Public art.
- Renewable energy measures.
- Specific measures to mitigate impact on a local area - parking restrictions, landscaping or noise insulation.

The use of any Section 106 funding will be presented to the CIPB and the Repositioning Oldham Project Investment Team for review.

8) **Community Infrastructure Levy**

The Community Infrastructure Levy (CIL) is a planning charge based on legislation that came into force on 6 April 2010. When adopted, a CIL levy allows the Council to raise contributions from new development to help pay for infrastructure that is needed to support planned growth. CIL contributions can be used to supplement other funding streams and can wholly or partly fund a variety of strategic infrastructure projects ranging from transport, green infrastructure, flood defences, education and health, subject to pooling restrictions.

Where a CIL charging schedule is in place, it largely replaces Section 106 Obligations in delivering strategic infrastructure. However, s106 would still be used for affordable housing and site development-related infrastructure requirements that are deemed necessary to make a development acceptable. Some developments would pay both Section 106 and CIL, but they would fund different types of infrastructure. Contributions may also be sought for Section 278 of the Highways Act where modifications are required to the highways network.

Local authorities who wish to charge a CIL levy must produce a Preliminary Draft Charging Schedule, followed by a Draft Charging Schedule setting out CIL rates for their area. A CIL charging schedule sets out a rate in pounds per square metre (sq. m) on the gross internal floorspace of the net additional liable development. The charging schedule must balance:

- i) The need for infrastructure investment to enable growth; and
- ii) The need to ensure the bulk of planned growth remains viable.

A charging schedule must be informed by an evidence base, including an Economic Viability Study and an Infrastructure Delivery Plan.

In January 2014, the Council made a decision to prepare an Economic Viability Study to assess the viability of having a CIL charging schedule for the borough and appointed consultants to undertake it. The Viability Study looked at the types of development that are likely to come forward over the Local Plan period (up to 2026) and included an analysis of which types of developments can accommodate a CIL charge. The Study also assessed the viability of having charging zones for different areas within Oldham for residential development.

The findings of the Viability Study informed a Preliminary Draft Charging Schedule (PDCS) that set out proposed CIL charges per square metre on new floor space for different types and locations of development in Oldham.

The PDCS and the Economic Viability Study went out to public consultation in February 2015. Following this consultation, and as a result of internal discussion, the Council commissioned consultants to prepare an Addendum Report to review consultation responses, review the evidence feeding into the Viability Study and update the proposed CIL Charging Schedule based on the renewed evidence.

The CIL Addendum Report was completed in September 2015 and the Council is currently assessing the impacts of the proposed CIL charges on key future development in the borough. The Council will discuss the findings of the reports and assessments of key developments via an early 2016 report to Members that discusses the future approach to CIL.

9) **Private Finance Initiative**

Private Finance Initiative (PFI) is a means by which the Council can facilitate major new infrastructure projects. Typically the schemes involve partnerships between the public and private sector to fund public sector infrastructure projects with private capital. Oldham has considerable experience of PFI with two schools projects, two housing projects, the Library and Lifelong Learning Centre and the street lighting initiative.

Currently no new PFI projects or initiatives are anticipated. Any such proposals would be presented to the CIPB for evaluation before presentation for Members' approval.

10) **UK Municipal Bonds Agency Plc**

The Local Government Association (LGA) is close to completing the setting up of the Municipal Bonds Agency (MBA) the aim of which is to seek to provide Councils with a cheaper source of long term borrowing and to introduce sector owned diversity into the Local Government lending market. The Council has invested a total sum of £100k in the equity of the MBA.

The Council has undertaken this investment to access a potentially cheaper source of long term borrowing and any other beneficial financing arrangements that may become available. The agency has indicated that the first bond could possibly be issued in the Spring of 2016, whilst this may be not be the opportune timing for Oldham the Council will keep under review the availability and cost of funds from the MBA as an alternative source of finance with a view to borrowing at an appropriate time if terms are preferential. As an investor, the Council would expect to benefit from any profits generated by the MBA.

6. Capital Investment and Disposal Appraisal

6.1 Capital Investment

All capital investment will be commissioned on the recommendation of the Capital Investment Programme Board (CIPB) which will enable any expenditure and its funding to be better aligned with corporate priorities, partners and funding sources. Partners, from both the public and private sector will be at regional and local levels as well as at a district level.

Within the Council, a concept for a potential capital project should originate from, or at least be 'owned' by Senior Management Teams (SMTs) or Directorate Management Teams (DMTs). The SMT or DMT that 'owns' the concept should prepare, or direct the preparation of a Strategic Business Case (SBC) for the proposed project. The Strategic Business Case should be submitted to CIPB for consideration, with the exception of Strategic Regeneration projects where the Project Management Board (PMB) first reviews the SBC.

If the CIPB (or the PMB in the case of Strategic Regeneration Projects) is satisfied that the proposal meets investment criteria, it will be given approval to progress to Stage 2 of the process – the completion of an Outline Business Case (OBC). The OBC builds on the SBC providing more detailed information including the benefits that could be realised and may include a number of options to deliver the proposed benefits. The OBC will be submitted to the CIPB for consideration, and if it is satisfied with the proposal will give guidance for the development of a preferred option.

Stage 3 of the process entails the completion of a Final Business Case (FBC) which will then be submitted to the CIPB for final consideration. Again, building on the OBC, the FBC will contain evidence of a:

- Detailed financial analysis of all costs/income including how the project is financially sustainable and that any adverse revenue implications can be dealt with within existing budgets
- Robust delivery plan including how the chosen option delivers the highest impact in achieving the required outcomes with identified key project milestones enabling progress review
- Risk assessment and that appropriate actions to negate these risks have been identified
- Full exit strategy where the project involves a disposal
- Method of procurement that represents value for money.

By adopting the process outlined above, CIPB exercises control over capital projects through the recommendation of approval of:

- i) Strategic Business Cases (SBC) outlining the initial idea or 'concept' for a project.
- ii) Outline Business Cases (OBC) which will focus on links to the Corporate Plan and outcomes.

iii) Full Business Cases (FBC) – the final investment decision. This will focus on the how the priorities set out in the OBC will be delivered, including:

- Project description
- Consultation
- Expenditure and funding including whole life costs and revenue implications
- Outputs
- Option Appraisal
- Value for Money
- Delivery
- Risk Management
- Sustainability, Forward strategy and evaluation
- Asset Management
- Procurement
- Equality Impact Assessment
- Environmental Impact Assessment
- Contribution to the achievement of corporate initiatives including Get Oldham Working

Depending on the circumstances of the bid for resources, the CIPB has the discretion to vary the 3 stage review process and omit one or more of the stages.

Gateway Review System

The Council has adopted a gateway review system for all projects within the capital programme to promote the following principles:

- i) Carrying out structured reviews at decision checkpoints, defined by boundaries between management stages, to test the project's management and its readiness to progress to the next stage.
- ii) Promoting project assurance through the application of a structured project management system.
- iii) Informing the governance process.

The Gateway Review structure is designed to be efficient by only requiring detail when it is needed to get to the next stage. It also tries to minimise additional work for team members by using templates that build on each other, reducing the need for reworking.

Gateway Reviews are undertaken by the Strategic Regeneration Project Management Office which has been specifically set up to ensure there is a robust review process in place to support the delivery of capital schemes and therefore to support the work of the CIPB.

There are four Gateway Reviews which are initiated at key milestones in the delivery of a programme, Gateways 1 to 3 are undertaken in the approval process for the Strategic, Outline and Final business cases respectively, Gateway 4 is undertaken in support of the delivery and handover phase. It is

important to note that the Gateway report is used to advise and inform those responsible for making the investment decision, the decision will not be made by the Gateway Review team.

6.2 Service Challenge & Review, Efficient Use of Assets

In light of massive unprecedented financial challenges in recent years, the Council embarked on an ambitious programme of transformation utilising the corporate estate as a key driver for change.

A strategic review of the Council's land and property portfolio was approached within a tri-track framework;

- i) The core office estate
- ii) The operational asset base used for district based service delivery
- iii) Land

The Smarter Workplaces programme radically reviewed the Council's wider 'office portfolio', and realised significant efficiency savings by vacating a number of properties, and consolidating provision of back office functions within three key buildings.

Cabinet in November 2012 approved review/closure of a further tranche of properties which contained an element of back office provision, and progress in delivery of recommendations has been very good and is continuing at pace.

With regard to the review of operational district assets, the Property Team and services are working closely with services to ensure that portfolios are best fit for purpose and efficient usage is maximised.

Land assets will be progressed for future use/disposal aligned to corporate objectives and incorporated into the corporate disposals programme.

Governance of the Council's land and property portfolio is provided via the Land and Property Protocols which form part of the Council's Constitution, providing a strategic governance framework within which land and property transactions are undertaken and the corporate portfolio is managed in a consistent, transparent and appropriate manner.

The Corporate Property Board oversees acquisition and disposal of land and property assets and monitors the progress of the corporate disposals programme.

7 How the Capital Requirements Will Be Prioritised

Once a bid for capital expenditure has passed through the Gateway process and has demonstrated that it meets Council Objectives and links to the Greater Manchester Strategy (if appropriate) and it has been agreed that it is suitable for capital investment, the strategic requirements will be prioritised using the following criteria (it should be noted that these are not mutually exclusive or in ranking order):

The criteria examine whether the proposal is:

- Related to mandatory, contractual or legislative service delivery requirements.
- Required to achieve the delivery of a specific revenue budget saving within the revenue budget setting process.
- Required to support Service Plan priorities.
- Enhancing the Co-operative Council agenda and demonstrating the enhancement of Social Value.
- Supporting the Get Oldham Working priority initiative and demonstrating how it delivers the aim of local jobs for local people.
- Linked into other regional objectives.
- Enhancing the asset management/estate management agenda.
- Providing general revenue saving or offering the delivery of a more efficient service.
- Fully-funded from external resources.
- Bringing in substantial external resources for which Council matched funding is required.
- Likely to have the highest impact on achieving improved performance against the Council's key objectives.
- Making a contribution to carbon reduction targets and renewable energy initiatives.
- Supporting regeneration and economic growth, particularly in the town centre and district centres.

The results of this process will be presented to Members each year as part of the capital budget setting process, or during the year if projects come forward outside the normal timeframe.

8 How the Council Will Procure its Capital Projects

The structure of the Council's procurement and strategic relationship management function includes designated Commercial Procurement Managers whose focus is to support all capital projects.

Integration of revenue and capital financial planning provides opportunities for greater efficiency by selection of the most effective procurement processes to ensure the best commercial solution.

The Council is keen to ensure that Social Value, particularly contributions to the Get Oldham Working initiative, is demonstrated during the procurement process, linked to the principles of the co-operative agenda. Therefore this is of key importance in the procurement of all capital schemes. The social value deliverables are actively monitored by the procurement team throughout the life of the contract.

Efficiency gains via procurement will be achieved by:

- Efficient procurement processes which are constantly being enhanced with opportunities being developed to ensure the best commercial solution is selected and delivered.
- Expanding the range of providers included within the Council's early payment discount scheme.
- Strategic contract management of the wider supply chain to ensure continuous savings through the life of the project.
- Procuring fixed price contracts with risk/reward terms to incentivise further efficiencies.
- Joining in Association of Greater Manchester Authorities (AGMA) wide procurement initiatives which will provide savings through economies of scale.
- PFI and Public Private Partnership (PPP) agreements and other innovative financing arrangements where practicable.
- Leasing/borrowing strategies which will consider the most effective means of acquiring assets.

9 How the Council Will Measure the Performance of the Capital Programme

The capital commissioning approach that has been adopted by the Council is supported by a strong programme management process in order to ensure a coordinated corporate approach to the strategic alignment of investments. The process has been modelled on PRINCE 2 project management methodology and the Office of Government Commerce (OGC) Gateway Review System, incorporating risk assessment, risk management, option appraisal, cost v benefit analysis, etc. This ensures that investments are planned, managed and delivered prudently.

The Capital Investment Programme Board (CIPB) has a remit to review the financial performance of the capital programme and it receives a monthly monitoring report. In addition financial monitoring reports will be considered by Cabinet at months 3, 6, 8 and 9, together with a capital outturn report. Issues that have been considered and agreed at the CIPB can be reported to Cabinet as necessary via the regular financial monitoring reports.

The undertaking of the detailed annual review of the capital programme provides the opportunity to review all schemes or focus on specific areas of concern.

Where a potential cost overrun has been identified, the CIPB will explore possible solutions in detail. It will also consider any under spending or identified surplus resources which can be added to the central pool of resources. The CIPB may also suggest a reallocation of resources to other projects.

Where there is a delay in the commitment of programme/project resources, the CIPB will require project managers to report the reasons for the delay and consider whether it would be appropriate to recommend the decommissioning of the project and the reallocation of un-ringfenced resources to other projects.

The performance of the capital programme is also measured by the prudential indicators which are reported to Cabinet/Council as part of the Treasury Management Strategy, the Treasury Management half-yearly review, and the annual review.

10 The Capital Investment Programme Board

The Capital Investment Programme Board (CIPB) is an Advisory Board and is chaired by the Cabinet Member for Finance and HR. The lead Chief Officer for CIPB is the Executive Director Economy and Skills. The Leader of the Council has a standing invitation to all meetings. The Board is supported by senior Finance Officers, the Director of Economic Development (in his role as Corporate Property Officer) and the External Funding Manager. The Board has detailed Terms of Reference which are included at Annex B.

All Directorates are represented at Director Level by invitation to attend CIPB as and when projects for which they are responsible are being considered. The Chair may also invite the relevant Cabinet Member to attend when a project within their portfolio is being discussed.

The Board meets on a monthly basis to ensure there is a managed approach to:

- Discussing and recommending actions in relation to capital issues
- Developing the Capital Strategy,
- Developing the coming years capital programme
- Considering and approving business cases
- Monitoring performance of individual capital projects and the whole capital programme
- Reviewing the availability of capital resources and reprioritisation of resources as required

The CIPB also undertakes an annual review of the capital programme which will examine all schemes in the programme to:

- Ensure that schemes still meet corporate priorities
- Review their continued relevance in the context of a dynamic and constantly developing organisation
- Consider the progress of schemes including any reasons for delayed starts or variations to approved budgetary allocations and rephasing of planned expenditure
- Identify any unutilised or underutilised resources
- Consider any reallocation of resources

It will also initiate periodic reviews of the whole or part of the programme as required in response to specific issues or concerns.

The Board oversees capital projects from inception to completion to ensure they are delivered efficiently and effectively and in line with the Council's corporate objectives.

The Board assesses all submissions for capital expenditure prior to them entering into the normal reporting process for approval. The Board therefore makes recommendations to the appropriate decision maker/ forum, whether this is a Member under delegated responsibility, Cabinet or Council.

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CURRENT CAPITAL PRIORITIES

The Council has an approved capital programme which has already committed resources to support schemes for the 2016/17 and future financial years.

Annex C sets out the proposed programme for 2016/21 taking into account the latest information and proposals. In order to set out a full explanation of the capital commitment and also the capital aspirations for the Council, the Capital Strategy identifies these schemes and explains their nature and importance, together with those projects that the Council would wish to undertake if there are sufficient resources to allow new projects to proceed.

In addition, in order to give as full a picture as possible of all major capital investment taking place in the borough, it is also important to present information about the schemes being financed under the Public Finance Initiative (PFI) that would not feature within the capital programme due to their funding arrangements.

Explanations of all key areas of approved capital expenditure and PFI schemes are set out in the following paragraphs in portfolio order.

1. COOPERATIVES AND NEIGHBOURHOODS PORTFOLIO PROJECTS

1) District Development

A sum of £100k of the funding allocation first approved in 2015/16 for the delivery of the Green Dividend has been re-profiled to 2016/17.

2) District Investment Fund (District Partnerships)

The District Investment Fund (DIF) was created in 2011 and is now a well-established concept. It is intended to fund larger scale neighbourhood investments that meet local needs and achieve value for money. The capital programme for 2016/17 includes capital funding of £336k including funds reprofiled from 2015/16; £200k per annum is provided from 2017/18 onwards.

3) Transportation Projects

There are a number of key transport-related projects that the Council is planning to undertake in 2016/17. The transport programme is managed largely with regard to the Greater Manchester Transport Strategy and Local Transport Plan complemented by other projects as set out below.

Greater Manchester Transport Strategy, Local Transport Plan and Metrolink

There is a statutory requirement for Local Transport Authorities to prepare a Local Transport Plan (LTP) and keep it under review and refresh as they see fit; the requirement to update the plan every five years no longer applies. Greater Manchester has previously produced three LTPs, in 2001, 2006 and 2011. LTP3 was linked to a previous Spending Review and included spending plans for the period 2011/2015. LTPs are required to cover both policy and implementation

elements, although these can be to different timescales e.g. with a long-term strategy and short term implementation plans.

The Greater Manchester Combined Authority (GMCA), via Transport for Greater Manchester, is now responsible for producing the Local Transport Plan. GMCA has embarked on a process to develop a fourth Local Transport Plan (LTP4), which will include a new long-term GM transport strategy to 2040 and five year spending plans, which will be updated annually, based on confirmed resources. LTP4 is due to be published in 2016.

The LTP3 period has been one of rapid change and significant governance reform that has seen a number of changes to the way in which Government support for capital investment is organised, including a move towards devolving Local Transport finance, particularly for major schemes (i.e. those costing more than £5 million) and the introduction of the Local Growth Fund from 2015/16 and accompanying Growth Deals.

Two of the previous main Local Transport Plan funding blocks remain in place under the new funding arrangements. These are the integrated transport block and the capital maintenance block

Integrated Transport Block

The integrated transport block (ITB) provides funding support for transport capital improvement schemes costing less than £5 million. In Greater Manchester's case, this grant is paid to and managed by the GMCA at a regional level; it is not paid directly to Oldham. In July 2014 the Department for Transport (DfT) confirmed the ITB allocations for the period 2015/16 to 2017/18 and issued indicative allocations for 2018/19 to 2020/21. Nationally, the total funding available for ITB in the period to 2021 was confirmed as £2.7 billion (£458 million per annum). Of this, £200 million is being top sliced each year for the Local Growth Fund, with the remaining ITB of £258 million per year being allocated by formula.

The new ITB allocations are based on a revised formula, which introduced a performance element into some of the criteria. The data used for the assessment will be refreshed in 2017, before the allocations for 2018/19 to 2020/21 are confirmed. The Greater Manchester formula based allocation is £97.05 million over the six year period (£16.175 million per year). This is in line with the assumption made in the Growth and Reform Plan submission to the Local Growth Fund, that GMCA would receive £90-£100 million based on a per capita allocation, which would be sufficient to meet the Metrolink and Greater Manchester Transport Fund top slice commitments, totalling £96 million. As such, the formula based ITB is fully committed and there will no element of this grant available to individual local authorities.

Capital Maintenance (for bridges, highways and street lighting)

This area of work is funded by grant paid directly by the DfT to the GMCA, which determines the distribution of the grant across the 10 Greater Manchester local authorities. The total available nationally is £5.8 billion over the six year period (£976 million per year). There are 3 elements to this grant; a needs-based element, a new 'incentive' element and a new Challenge Fund.

The needs-based element is calculated by formula. Following a period of formal consultation on a revised distribution formula, in December 2014 the DfT issued capital maintenance 'needs-based' allocations for the six year period 2015/16 to 2020/21. The allocations for the three year period 2015/16 to 2017/18 were actuals, with the allocations for the following three year period being indicative. Although the allocations are calculated on an individual local authority basis, the Greater Manchester local authority allocations will be paid directly to GMCA for GMCA to determine the distribution of the resource.

Oldham's allocations over the full funding period are as follows:

2015/16	£2,452,497	Actual
2016/17	£2,248,349	Actual
2017/18	£2,180,300	Actual
2018/19	£1,973,330	Indicative
2019/20	£1,973,330	Indicative
2020/21	£1,973,330	Indicative

From 2018/19 onwards, the figures are indicative pending a data refresh, the collection of cycleway and footway data (a new element to be included in the formula) and a review of the bridges element in the formula.

Oldham was successful in securing grant from the competitive Challenge Fund for major maintenance projects, with the Council's bid securing £3.16 million for a programme of named schemes over the three year period 2015/16 to 2017/18. A match-funding contribution of £840k formed part of the bid to DfT; this is being met from the Council's needs-based capital allocation for highway maintenance.

For the purposes of longer term financial planning for transport investment, the Council has assumed that GMCA will distribute the capital maintenance block in line with DfT's distribution for the three year period 2016/17 to 2018/19 and a three year programme with a value of £6.401 million and a reserve scheme list with a value of £2.585 million have been developed and received formal approval in November 2015. In the event that the full resource is not allocated to Oldham the programme will be reviewed and reduced accordingly.

Whilst Local Transport Plan funding is not ringfenced, it comes with the expectation of both the DfT and GMCA that it will be invested in delivering the Local Transport Plan strategy. As such the capital maintenance allocation for 2016/17 and subsequent years to 2020/21 will be passported for investment in and maintenance of Oldham's transport network.

The capital programme includes a number of transport-related grants received for expenditure in 2015/16 which were reported in previous Capital Strategy updates. There is likely to be some re-profiling of these grants where the grant conditions allow and completion is scheduled beyond 31 March 2016. In addition, the Council has also received a number of grants during 2015/16 which were not anticipated at the time last year's Capital Strategy was prepared and which must be spent by 31 March 2016.

Local Growth Fund

A new Local Growth Fund (LGF) was introduced by Government and became operational from 2015/16 onward. The LGF combines a number of funding streams, including local transport major scheme funding and part of the Integrated Transport Block (£200 million nationally for the period 2015/16 to 2020/21).

The funding is being allocated through Strategic Economic Plans, mostly through a competitive process. Greater Manchester submitted a bid for a minor works capital programme to the competitive element of the Integrated Transport Block included in the LGF. Greater Manchester's minor works bid was £110 million for the six year period 2015/16 to 2020/21

In the event, the DfT did not award funding for the full six year period, but for the first two years only. The Greater Manchester bid secured £8.91 million for 2015/16 and £6.3 million for 2016/17 for minor transport schemes, of which Oldham received £2 million towards the highway infrastructure for the Old Town Hall scheme in 2015/16. In October 2015, the Government invited Greater Manchester to bid for further LGF funding to 'top up' the initial allocation. An additional Growth Fund 2 bid was submitted to DfT on 3 October 2014 for further minor works resources of £47.9 million for the period 2015/16 to 2016/17. The second Growth Fund bid secured £34.6 million for transport schemes, which includes £4.97 million for delivery of the following Oldham schemes in 2016/17 to 2017/18:

	Growth Fund 2 Allocation £000s
Albert Street, Hollinwood Junction	800
Town Centre Metrolink pedestrian/cycle access	70
Local Sustainable Transport Fund - Sustainable Access Enhancements	150
Oldham Mumps Park & Ride and Highway Infrastructure	3,500
Town Centre Connectivity - Yorkshire Street	450
TOTAL	4,970

In Oldham's case, a total match-funding contribution of £950k in respect of the Albert Street and the Oldham Mumps schemes formed part of the bid to DfT. This match funding is already included within the Council's existing capital programme.

Fleet Management

A review of the replacement programme has taken place and instigated a move towards purchasing as opposed to leasing vehicles and, where appropriate, to purchasing vehicles upon expiry of the lease. The requirement for prudential borrowing has been revised. A total sum of £1.273 million has been made available within the current capital programme. The cost of the prudential borrowing is being met from existing fleet management revenue budgets.

Gateways and Corridors Highways Improvement Programme - '24 Hour Repair Promise'

The capital programme included an allocation of £2 million prudential borrowing over the period 2014/15 to 2015/16 to implement the Gateway Corridor Improvement Programme. This supports a '24 Hour Repair Promise' to Oldham's priority network, initially focused on the 'Gateway Corridors' that emanate from Oldham Town Centre.

The roads identified as potential 'Gateways' or 'Corridors' to be upgraded as part of the 24 Hour Repair Promise were as follows:

- A671 Rochdale Road / Oldham Road
- A663 Shaw Road / Milnrow Road
- A62 Manchester Road (P2 - M60 to Town Centre) - Gateway
- A672 Ripponden Road
- A627 Chadderton Way - Gateway
- A627 Ashton Road
- A62 Oldham Road (P1 - M60 to Boundary) - Gateway
- A669 Middleton Road
- A669 Lees Road / Oldham Road
- A62 Huddersfield Road

In 2014/15, the funding contributed towards the delivery of the following Gateway Corridor schemes:

- A62 Oldham Road
- A62 Huddersfield Road (part funded by Severe Weather Grant)
- A671 Rochdale Road

In 2015/16, the funding has contributed towards the delivery of the following Gateway Corridor schemes:

- A62 Manchester Road (funded by the Challenge Fund)
- A62 Oldham Way (funded by the Challenge Fund)
- A671 Oldham Road
- A663 Crompton Way.

Continuation of the Gateway Corridor Highway Improvement Programme beyond 2015/16 will be limited to those schemes included the Local Transport Plan

Flood Management

The Council has new responsibilities as Lead Local Flood Authority (LLFA) around the area of flood risk management, through the Flood and Water Management Act 2010 (FWMA). There is potential grant funding available from DEFRA/Environment Agency (EA) for capital works for flood management schemes (Flood and Coastal Erosion Risk Management Grant).

There is a potential requirement to allocate in the Capital Strategy an amount to form a matched funding contribution to encourage a potentially larger capital

funding contribution from DEFRA/EA. A submission was made to DEFRA/EA in February 2014 putting forward schemes for consideration against the grant. A factor taken into account by DEFRA/EA when assessing local authority funding allocations is the percentage local contribution to a scheme. Based on this submission there is a potential maximum match-funding requirement of £865k over the five year period 2016/21 in order to secure up to £2.630 million in DEFRA/EA grant. Schemes will be subject to further assessment by DEFRA/EA. Project Appraisal Reports commissioned by the EA will be assessed before any grant funding offer is made. Only then will there be confirmation of any match-funding requirements.

Street-Lighting PFI

Construction on the Gateways to Oldham (housing) PFI 4 scheme completed in March 15, leaving only the joint Oldham/Rochdale Street-Lighting PFI scheme with live construction works. While the programme is not included in the capital programme, being a PFI-funded scheme, it is nevertheless strategically important when considering the entirety of capital-related spending in the borough.

The Street lighting PFI scheme is a joint approach between Oldham and Rochdale Councils, resulting in both authorities entering into a contract with Community Lighting Partnership. The financial close was achieved in April 2011. The operational element of the contract provides for the management and maintenance of the entire lighting stock. It commenced in July 2011 and runs through to July 2036. The capital element of the contract will see the replacement of approximately 22,786 lighting columns within the borough with a capital value of £30.5 million. Construction commenced in October 2011 and should be completed, behind schedule, in or before July 2016. There are currently a number of unresolved disputed issues between the interested parties.

4) Private Sector Housing

The following housing-related initiatives are either within the approved capital programme or may require resources in 2016/17 onwards:

Housing Market Renewal and the South Werneth Redevelopment

Funding for the Housing Market Renewal (HMR) Pathfinder programme was stopped by the Government in March 2011 but its sudden demise left legacy issues to address. The Council had some HMR liabilities in relation to empty properties and sites in the Council's possession that needed to be addressed.

The South Werneth redevelopment proposal was approved by Cabinet in March 2012 to address the problem created with the withdrawal of HMR funding and the partial completion of the housing redevelopment programme. A report was considered by Cabinet in January 2014 and approved the disposal of the land at open market value to Community Build Werneth Limited. Heads of Terms have been agreed with the group and planning permission has been obtained for 37 new bespoke family homes.

There remain a number of commitments relating to HMR legacy issues in Werneth and Derker. Several outstanding liabilities also remain where sales are

in dispute or where payments for properties that were already acquired and demolished have not yet been made.

In Derker, Keepmoat Homes have made excellent progress with their development at Churchill Gardens. The development of 165 homes was completed in December 2015, 12 months ahead of schedule. The Council is seeking to dispose of the remaining sites in Derker in early 2016 through the Homes and Communities Agencies Developer Partners Panel 2 (DPP2).

Local Authority Mortgages (LAMS)

The scheme was aimed at helping first time buyers get on to the property ladder in cases where they can afford mortgage payments, but not the initial deposit. Under the scheme, if a potential buyer meets the lender's (a major funding high street bank) strict credit requirements and also criteria set by the Council, an indemnity will be provided to the lender for the difference between the typical deposit (i.e. 25%) and a 5% deposit. The potential buyer would thereby obtain a 95% mortgage on similar terms as a 75% mortgage. The indemnity is for the first five years, when there is most risk of repossession.

The Council opted for a 'cash backed' model with two phases totalling £2 million, generated by deposits of £1 million in each of 2012/13 and 2013/14 into a designated account with the lender.

The second phase of the LAMS scheme supported 48 households into home ownership and £930k was committed.

A Government-backed mortgage indemnity scheme has subsequently been launched; therefore Oldham's LAMS scheme remains in place until current funding allocations are exhausted. The Council will not be looking to allocate any further funding towards LAMS in the future.

Equity Loans Initiative

The Home Improve Equity Loan product was developed to offer homeowners the opportunity to have essential repair works carried out to their property, by borrowing the money against available equity within their property; the scheme is now borough-wide. These funds are repaid back to the Council upon sale or transfer of the land registry.

Home Improve Equity Loans play a crucial part in the sustainability of housing within Oldham and by helping residents to remain in their neighbourhood, thus helping to maintain sustainable communities.

The Council currently works in partnership with Guinness Northern Counties, who provide the financial and legal assistance to the homeowners as independent advisers. The Council carries out the administration and technical assistance, which also includes procuring the tenders and contractors on site to completion. All works are tendered to local contractors who are registered with Construction Line.

Oldham Council has taken the lead role at an Association of Greater Manchester Authorities (AGMA) level in the procurement of an Equity Loan provider. This

regional initiative is enabling all AGMA Councils to offer a similar product with reduced overheads.

Resources of £502k were included in the 2016/17 capital programme as part of the 2015/16 capital programme and further provision of £250k and £300k has now been incorporated for 2017/18 and 2018/19. Recycled capital receipts that are ringfenced to replenish the resources for this initiative will also fund the planned expenditure.

Given the success to date and the Council's leading role in the Association of Greater Manchester Authorities (AGMA) initiative, this is one of the priority areas for which additional capital resources allocation may be considered.

2. HEALTH AND WELLBEING PORTFOLIO PROJECTS

There are four project areas within the Health and Wellbeing Portfolio

1) Disabled Facilities Grants (DFG)

The demand for major property adaptations to premises continues to rise, particularly because of the increase in numbers of elderly clients and also of very disabled children, where medical advances have seen a tremendous improvement in life expectancy. Because of the number of requests and the limitation of resources, the timescale for the successful completion of approved adaptations remains a challenge.

As a result, work is ongoing to update the Council's Adaptations policy and procedures, including the promotion of rehousing as a better option and the introduction of a framework contract to reduce the costs of building work. It is hoped that such improvements will meet the demographic growth in demand but are unlikely to reduce waiting times at the same time.

February 2016 sees the end of the service level agreement between FCHO and the Council for major adaptations. Henceforth requests for adaptations for FCHO properties will have to be processed in line with DFG requirements; this may have an impact on client waiting times.

The grant was un-ringfenced but, given the Council's obligation to undertake adaptations, the allocation of some resource was required. The strategy of the Council was that the full grant allocation would be passported through to finance housing adaptations.

2) Social Care Funding

In 2015/16 the Better Care Fund was introduced to encourage joint commissioning of health and social care services locally. This was a pooled resource, consisting mostly of NHS funding, but also including the Council's allocations of Disabled Facilities Grant and Social Care Reform Grant.

The Social Care Reform Grant will not continue in 2016/17. However the Department of Health has, on 10th February 2016 confirmed Better Care Funding in the form of Disabled Facilities Grant funding amounting to £1.618m for 2016/17, in total more than compensating for the cessation of the aforementioned grant. As in 2015/16 it remains a pooled budget linked into a joint programme of spending with the NHS.

3) Adult Social Care

Mindful of the continued demand pressures faced by Adult Social Care services, in addition to the funding received through the expanded Disabled Facilities Grant, the Capital Programme includes a £400k general Adult Social Care provision which can be utilised in accordance with need in this area including additional support for disabled adaptations and transformational schemes to further integrate health and social care which may require a call on capital expenditure.

4) IT Investment

Funding of £130k for implementation of the Frameworki IT system has been re-profiled to 2016/17.

3. CORPORATE AND COMMERCIAL SERVICES PORTFOLIO PROJECTS

1) IT Investment

The capital investment programme that was approved in 2012 included a £6 million allocation for IT enhancements for the duration of the 2013/15 ICT Strategy. Of this sum £735k has been redeployed into 2016/17.

ICT Strategy

The Council is now in the process of developing the ICT 'Digital' Strategy for 2016/18. The outcome will inform ICT investment priorities going forward.

The ICT initiatives that are likely to influence future capital investment plans include the schemes set out below:

- Resident First programme
- Supporting Collaborative Working and Sharing with Partners
- Unified Communications Delivery
- Cloud Computing Integration
- Business and Service Continuity Planning

As the ICT Strategy refresh is currently at an early stage, it is not yet possible to accurately forecast what the final investment requirement will be. This will be subject to the presentation of a detailed business case to the CIPB outlining resource requirements.

ICT Equipment Replacement Requirements

There is also a requirement to commit to an annual replacement programme for ICT assets, primarily 'end-user devices' (desktop and laptop equipment) to

ensure they remain fit for purpose. The investment profile will be based on the current asset holding and its age, and will be subject to a business case to the CIPB. Following a transition period, the intention is that the replacement programme would default to a four-year refresh cycle (25% of devices per annum).

Current ICT Investment Plans

Current investment plans support delivery of the existing 2013/15 ICT Strategy and include:

- i) Corporate Management Information Systems
Provision of £141k in 2016/17 and £69k in subsequent years for the continued integrated Agresso system upgrade and improvements.
- ii) Government Connect
An annual £20k allocation for ensuring that the Council complies with Government Connect initiative requirements.
- iii) Unity ICT
An annual provision of £160k for the IT server refresh programme in line with the Council's ICT contract with the Unity Partnership.

Ongoing investment in other ICT projects and programmes is being considered as part of the Strategy refresh.

4. ECONOMY AND SKILLS PORTFOLIO PROJECTS

There are a number of projects within the Economy and Skills Portfolio:

1) Corporate Property-Related Projects

There are several major property related initiatives within the approved capital programme as follows:

Major Repairs, Disability Discrimination Act Adaptations, Legionella, Health and Safety Projects

It is important that the Council is able to fund major repairs, including dilapidations. In addition there are increasing demands on the Council to comply with health and safety requirements across all its service areas, and to ensure that there is adequate funding for Legionella, asbestos and Disability Discrimination Act requirements together with compliance with Care Quality Commission national standards in the establishments providing adult social care services.

As highlighted elsewhere in the Capital Strategy, the Council is mindful of the requirements to maintain the school estate and other capital maintenance and health and safety projects. As a consequence the Council has allocated resources amounting to £1.5 million in 2016/17 and £500k in each of the remaining years of the Strategy to contribute towards school maintenance and

other corporate property expenditure (including car parking). This has been supplemented by the Schools Condition Allocation bringing the total resources available to £3.360 million in 2016/17 and £2.255 million in 2017/18.

It is probable that additional resources will be required for schools and corporate property maintenance initiatives and these are therefore included as a priority funding issue for the 2016/17 Strategy with a CIPB recommendation that any identified underspends be applied for this purpose.

2) Schools

There are several grant funded initiatives which are either included in the 2016/17 capital programme or which are going to potentially be made available as follows:

Priority Schools Building Programme – Saddleworth School

Under the Priority Schools Buildings Programme (PSBP) the Council submitted a successful bid for Saddleworth School. The PSBP will fund only the buildings but will not cover loose fixtures and fittings, ICT hardware and travel costs associated with moving the site of the school or highways infrastructure required to support the new location. There will need to be on-going discussion with the school in order that their resources are harnessed, together with Council capital resources to support the effective provision of the new school.

On 19 January 2015 The Secretary of State for Education announced the preferred site for the school and it is estimated that the new school could be open by early 2018. The Council has earmarked a total of £2.019 million of resources to support the completion of the replacement school. Current projections forecast that the resource allocated may not be sufficient to deliver the support needs currently identified. Of this sum, £1.745m has been profiled into 2016/17.

Priority Schools Building Programme - Phase 2

On 9th February 2015 the Government announced that only the bid for Royton and Crompton had been successful, however the precise level of funding available remains unconfirmed. Meetings are ongoing with the Education Funding Agency (EFA) to agree the scope of this project, the latest programme is that the EFA will be carrying out further feasibility works over the period April 2016 – June 2016, as a result of which they will be making recommendations as to the scope of works.

Targeted Basic Need Funding

All Targeted Basic Need projects, including the new special school and four school expansions, were completed within the grant conditions and in time for pupil intake in September 2015. There was an overall underspend of circa £80k on Council contributions.

Universal Infant Free School Meals

The Universal Infant Free School Meals programme has now completed, with certain schemes having been held back, most notably Greenfield, pending a decision as to location of the new school.

Schools Investment Programme

Having recognised the need for additional investment in schools across the borough a programme of new schemes addressing the specific needs of the school estate was developed and approved by Council in July 2012. This took into account not only the condition of existing buildings but school capacity issues.

A full programme of work was approved for the 2013/14 and 2014/15. Most of the schemes have now completed on site, but Royton and Crompton Secondary remains outstanding, this is partly due to the bid to the Education Funding Agency under the Priority Schools Building Programme, Phase 2, where a final decision on Council funding can only be made once the availability of Government grants has been clarified.

Education Basic Need Funding to 2017/18

On 12 February 2015 the Department confirmed the previously notified (Dec 13) grant funding award of £10.745 million across 2015/16 and 2016/17 and notified the Council of an additional £15.405 million for 2017/18.

In March 2014 a series of primary school projects, utilising the first tranche of funding, was approved by Cabinet.

On 14 December 2015 the re-phasing and reallocation of previously-approved projects, together with a request to utilise £1.264 million of the 2017/18 allocation was approved by Cabinet.

The resultant increase in provision was therefore:

- Christ Church, Denshaw - expanded by 5 places per year with school funds.
- Holy Trinity, Dobcross - expanded by 5 places per year with school funds.
- Oasis Limeside, Hollinwood - the first phase of works to increase capacity by 30 places per year were completed in September 2015. A second phase is due to complete in autumn 2016.
- New 3 Form Entry Primary School, Central Oldham - works commenced on site on 1 July 2015 and are due to complete in July 2016 ready for 90 pupils per year from September 2016.
- Greenfield Primary - a £6 million total rebuild, incorporating permanent expansion of the school from 20 places per year to 60 places per year.

A programme of works for the remainder of the funds available in 2017/18 will be brought forward for approval in due course.

In addition it should be noted that, because the funding is based on local authority validated data, the Department for Education reserves the right to abate for any overpayment made resulting from inaccurate data.

School Condition Allocation (formerly Education Capital Maintenance Grant)

This funding is pooled with other Council resources to support corporate major repairs, DDA, legionella and health and safety projects.

In February 2015 the Department for Education announced details of the Schools Condition Allocation Grant, the Oldham allocation for 2015/16 was £1.955m with

indicative allocations given for the following two years. February 2016 saw formal confirmation of the 2016/17 allocation as £1.860m, once again the most recent allocation is to be taken as indicative of the likely award in the following year, assuming that further Oldham schools will convert to academies and that associated funding will be lost, £1.755m has been included in for 2017/18.

Devolved Formula Capital

The Devolved Formula Capital (DFC) allocation for 2016/17 was confirmed in February 2016 as £0.430m.

3) Leisure

In March 2012, Cabinet approved the reconfiguration of the leisure estate including the replacement of four existing facilities with the provision of two new facilities in Oldham Town Centre and Royton Town Centre. Following commercial negotiations contracts were signed in July 2014 with the new centres opening in late 2015. Planned expenditure of £1.854 million in 2016/17 is for demolition of the former sites and a new car park for the Royton facility.

4) Town Centre and Borough-Wide Regeneration

The capital programme report that was approved in July 2012 included a substantial investment in town centre and borough-wide regeneration. This extensive programme reflects the Council's commitment to re-energising the local economy and creating jobs. The investment is aimed at pump-priming a selected number of key regeneration projects which will stimulate private sector investment and economic growth and improving the infrastructure which supports local communities such as roads, schools, adult care and the leisure offer.

Since the initial approval of the investment programme there have been some changes to schemes and priorities. The most up to date position on each of the schemes is set out below.

Town Centre Regeneration

The investment programme encompasses five large scale projects, the projects outlined below are at varying stages of construction and procurement, the remaining expected financial implications of which total £89.888 million, and phased over the financial years to 2018/19 Through a co-operative, 'town team' approach, the Council will work with partners to ensure realisation of the long term vision for a more economically, socially and environmentally connected Oldham of the future.

At the heart of Oldham is the Town Centre where there is great capacity for growth. Metrolink, ultrafast next generation broadband and vastly improved public realm will create the setting for new development and investment opportunities. The Council has already committed resources to make sure this happens and is now working with development and investor partners who are leading edge, creative and keen to work with a Co-operative Council on key development projects including:

i) Hotel Future

Hotel Future is a planned development of a new hotel in Oldham Town Centre, situated adjacent to the Queen Elizabeth Hall. Options appraisal work is ongoing.

ii) Oldham Town Hall

The development is a conversion, remodelling and extension of the Old Town Hall to create an 800 seat, 7 screen cinema. It also includes six restaurants, a coffee shop and the creation of a new public square. The project is now in its delivery phase and is expected to complete in late summer/ autumn 2016. Grant funding has been approved for Public Realm work.

iii) Heritage Centre / Relocation of the Coliseum Theatre

The project involves the refurbishment of the former Grade II listed Oldham Library and Art Gallery building on Union Street. The complex will include a new theatre, a heritage centre, galleries, archives, public research rooms, foyers, bars and meeting spaces. Work is continuing to secure external funding for the revised scheme from both the Arts Council and Heritage Lottery Fund. External fund raising is being underwritten by prudential borrowing which will not be required if the funding is secured. The scheme will be delivered as a phased approach, with the old Library building completing first and opening as a Heritage Centre with a planned opening in 2019/20.

iv) Eastern Gateway / Prince's Gate

The scheme sets out a vision for a new Town Centre residential neighbourhood of 800 homes, together with a major new retail development to bolster Oldham's Town Centre retail offer, and build upon the wider improvements within the Town Centre, such as the transformation of the Old Town Hall.

The concept retail scheme design provides some 125,000 sqft over two levels with on-site car parking spaces and has successfully secured interest from Marks & Spencer.

The scheme has taken on board the recent changes to the public transport system and highway network in the area, as movement patterns have been fundamentally affected by the recent arrival of the tram. The new Metrolink stop provides a unique opportunity to establish a new gateway to Oldham.

This project will require a considerable capital investment. The Council has revised the funding package for this development using a combination of general Council capital resources, HRA and grant contributions. The revised funding was approved by Cabinet on 24th January 2016.

5) Developments in Royton

i) Royton Town Hall

In line with the Co-operative Council ethos, a capital priority is investment in neighbourhoods, in particular the creation of hubs around

neighbourhood town halls. An allocation of resource has been included in the 2016/17 capital programme to refurbish Royton Town Hall.

ii) Royton Town Centre Development

The redevelopment of Royton Town Centre funded by private sector investment which will create a 25,000sq ft. food retail outlet, refurbishment and reconfiguration of the Royton Precinct together with improvements to the car parking and public realm. Total investment is likely to be in region of £5 million - £10 million. This is likely to create around 50 new jobs at the food store. Council resources may be required to undertake complementary development.

6) Other Priority Regeneration Projects

In addition to the Town Centre regeneration projects there are several other priority regeneration projects that the Council has agreed or will continue to support via the investment programme. These will require investment, planned at £7.112 million in 2016/17.

i) Hollinwood / Langtree

This is a proposed redevelopment of vacant sites surrounding junction 22 of the M60 motorway at Hollinwood. The scheme is being brought forward in conjunction with the appointed strategic development partner, Langtree Plc, as well as other key land owners and stakeholders at this location, via the Hollinwood Board and the establishment of a newly formed Hollinwood Partnership. The Council's capital costs outlay, to assist in accelerating delivery, extends to 2016/17. This, however, will result in capital receipts as end users are secured and developments on Council-owned sites are completed, thus minimising the actual net capital contribution required by the Council.

ii) Foxdenton

A Local Development Framework (LDF) for Foxdenton was adopted on 9 November 2011. There has been a site allocation of c.130 acres (including around 10 acres of Council-owned land) and this has now been confirmed in planning policy terms as a Business Employment Area. The LDF also accepts the principal that there will be up to 25% residential development on the site in order to help cross-subsidise the provision of infrastructure etc. and to make the wider development viable.

There is the potential for the development to deliver in the region of 300 new homes, over 1million square feet of new business space and the creation up to 1,500 jobs over the next 5-10 years. The Council is currently consulting with local residents and businesses over this development.

iii) Public Realm

Work began in 2014/15 on the Yorkshire Street Triangle and Town Centre Public Realm, inclusive of works to major town centre capital projects. Connectivity works which enhance the public realm links to the town centre from the Metrolink sites are continuing. A transformational Public

Realm Implementation Framework has been produced which sets out how the Council's ambitions for a regenerated public realm can be realised. Further public realm improvements will be incorporated into new developments including Yorkshire Street and Hotel Future.

7) Strategic Acquisitions

The Council has taken a pro-active approach to regenerating Oldham Town Centre, taking advantage of the current market conditions to acquire properties. In the longer-term, it is hoped that an increased land holding could be used to influence and stimulate development within the Town Centre and separately, allow the Council to benefit from any general market improvements and Metrolink added-value. The plan is to acquire what are perceived to be 'strategic' properties, those which could potentially be opportune and, post Metrolink would either be:

- Best-placed to benefit from any scheme value, or
- May benefit the Town Centre by adding value in other areas, or;
- Adjoining existing Council-owned land.

Linked to this is the potential to acquire properties which will generate an investment return in the form of rental income. This would provide a revenue income source to support the Council's budget and may also support regeneration in the borough.

8) Digital Infrastructure Initiative

The 'Get Digital Faster Programme', which was previously known as the Greater Manchester Rural Broadband Programme, is currently being delivered in partnership with BT to deliver connectivity to homes and businesses across Greater Manchester (GM), (excluding Manchester and Salford as they are funded via the Urban Broadband Programme).

The programme has the benefit of £3.54 million Broadband Delivery UK (BDUK) funding which has been used together with ERDF and GM funding to meet the cost of a £15.25 million programme of interventions in the eight GM authorities. The Council committed a total of £368k capital to the scheme to match two phases of BDUK funding, of which £41k has been re-profiled to 2016/17.

5. HOUSING REVENUE ACCOUNT (HRA)

There is one HRA scheme with a confirmed resource requirement for 2016/17 as follows:

Safety works – Extra care Housing

As part of the introduction of an extra care housing offer into 6 sheltered group schemes, capital works are being undertaken. These include installation of CCTV, improved boundary treatments, the installation of sensory gardens and improved landscaping at Hopwood Court, Tandle View Court, Trinity House, Aster House and Old Mill house. The capital provision for the works is £194k across 2015/16 and 2016/17.

Through the Housing Revenue Account, a number of additional capital schemes are proposed for future progression.

Solar Photovoltaic panels – PFI sheltered housing

Following approval, in 2015 a pilot programme has just been completed to install photovoltaic (PV) panels on 2 group schemes and 32 bungalows within the Council's sheltered housing PFI project. The estimated cost will be £287k, funded through the Housing Revenue Account.

The benefits of the scheme will be to:

- Reduce energy bills for tenants in bungalows and flatted accommodation by an estimated £150 to £200 per annum.
- Reduce the proposed service charges for grouped schemes by reducing expenditure on communal heating and lighting (currently borne by the Council's Housing Revenue Account).
- Provide a source of income for the council in respect of Feed in Tariffs

Should the pilot prove successful, then the original intention was to roll out the installation programme across the whole scheme at an estimated additional capital cost of £1.4 million. However, the recently-announced reductions to future Feed in Tariff rates (which do not impact upon the pilot phase) will significantly affect the viability of future phases.

A new appraisal will be undertaken in early 2016 and a report submitted to Cabinet outlining which, if any elements of the remainder of the scheme should still progress.

Supported Housing For Adults With Complex Learning Disabilities

Options are being considered to provide an alternative accommodation offer for adults with complex learning difficulties, either by way of a new-build scheme or provision of an alternative housing offer utilising the existing stock. Any costs associated with the project would be funded through the Housing Revenue Account. If approved, it is anticipated that 10% of the expenditure would be incurred in 2016/17 with the remainder in 2017/18. Preliminary discussions with the Homes and Communities Agency indicate that the scheme may qualify for Affordable Homes Programme funding.

Houses for Sale at Primrose Bank

As part of the Gateways PFI scheme, the Council entered into a development agreement with Inspiral Developments (Oldham) Limited (IDO) to build out homes for private sale. Due to the poor level of sales of the initial phase of this development, IDO has not exercised its option to build out subsequent stages in 2013/15 and has agreed to relinquish its rights for one of the sites. This enables the Council to commence a development comprising 17 houses for private sale. The proposed site is fundamental in terms of achieving the transformation objectives of the project and much of the estate infrastructure has already been completed on this site.

The main benefits of the project are to:

- Complete the Primrose Bank regeneration project in an area that could remain blighted.
- Build attractive homes for sale, addressing the shortage of family homes in the borough.
- Support a mix of tenure within the Primrose Bank area.

Following a tender process through HCA's Development Partner Panel framework, Cabinet approved the appointment of Keepmoat as the development partner in October 2015. It is hoped that construction will commence in February 2016 subject to receiving deposits from eight prospective purchasers.

The fall-back position, in the event the properties do not sell, is to add the houses to the Council's HRA stock. The cost of this option (assuming a worst case where no properties sell privately) would be recouped from net rental income over the term of the HRA business plan, without incurring a net loss to the Housing Revenue Account.

Prince's Gate Affordable Housing

As part of the Prince's Gate scheme, which will see new retail uses and up to 800 homes built within the Mumps area of Oldham Town, indicative funding is available within the Housing Revenue Account to support new affordable housing development. This could include 55 apartments in the first phase of the development programme to be delivered in 2017/18.

6. FUNDS YET TO BE ALLOCATED

As a result of the 2015/16 annual review of the capital programme, rolled forward funds of £900k are available for allocation to priority projects in 2016/17. In addition, £4.5 million of resources identified from the 2015/16 revenue budget are also available bringing funds yet to be allocated to £5.4 million. This sum may be supplemented by additional revenue resources as a result of slippage in the 2015/16 spending profile.

PRIORITIES FOR 2016/17 ONWARDS

This section highlights potential priority investment areas for 2016/17 onwards. These will be taken forward subject to the availability of resources and the approval of a full business case. Further details are provided at Section 3 of the Capital Strategy 2016/21.

1. EXISTING PROGRAMMES

There is a requirement for continued funding of existing programmes of work:

- i) Corporate Major Repairs, Disability Discrimination Act (DDA) Adaptations, Legionella, Health and Safety Projects (Corporate Landlord Function).
- ii) School Condition Works.

2. NEW PROJECTS

In addition to the projects specifically referred to above, the following is a list of further/new projects for which funding may be required:

- i) Adult Social Care
- ii) Unforeseen/emergency Health and Safety works
- iii) Low Carbon and Energy Efficiency Initiatives
- iv) School Investment/ Pupil Places Pressures
- v) Priority School Building Works
- vi) Playing Pitch Strategy
- vii) Surplus Sites
- viii) Association of Greater Manchester Authorities (AGMA) Green Deal Scheme
- ix) AGMA Growing Places Loans
- x) Town Centre Regeneration
- xi) Borough-Wide Regeneration
- xii) Car Parking
- xiii) Foxdenton
- xiv) Housing Projects in support of Government Housing Initiatives

- xv) Equity Home Loans
- xvi) Supported Housing for Adults With Complex Learning Disabilities
- xvii) Greater Manchester Devolution-Related Initiatives
- xviii) Partnership and Joint Working
- xix) Matched Funding for Grant Bids
- xx) Support for the Councils Co-operative Ethos
- xxi) Refinancing PFI and Public Private Partnership (PPP) type agreements

CAPITAL INVESTMENT PROGRAMME BOARD**TERMS OF REFERENCE**

The Capital Investment Programme Board (CIPB)'s terms of reference are:

1. To develop the overall Capital Strategy and annual programme in accordance with the priorities set out in the Council's corporate plan.
2. The recommendation of the overall Capital Strategy and programme to Cabinet and Council.
3. Once the overall Strategy and annual programme of expenditure have been approved at Council:
 - The consideration and recommendation of approval of the detail of the thematic programmes (e.g. Highways Capital Programme).
 - The consideration and recommendation of approval of any amendments to the annual programme.
 - The recommendation of approval of any new capital projects.
 - The detailed appraisal of projects, taking into consideration the Council's Capital Strategy, priorities and annual aims and objectives.
 - The review of potential commercial risk and Value for Money issues on any proposal for the use of capital.
 - To provide a forum for establishing and providing robust challenge and debate around the capital programme.
 - To undertake a detailed annual review of the capital programme.
 - Monitoring of the performance of projects and programmes within the Council's capital programme.
 - The review of the Council's capital programme on an on-going basis and to ensure it is achieving the agreed outcomes and consideration of the financial monitoring report.

MEMBERSHIP

The Chair of the CIPB is the Cabinet Member for Finance and HR. The Leader of the Council will have a standing open invitation; other Cabinet Members may be invited to attend CIPB at the discretion of the Chair.

The lead Chief Officer for CIPB is the Executive Director – Economy and Skills.

Officers in attendance at CIPB are:

- The Director of Development and Infrastructure (the Corporate Property Officer).
- The Director of Finance
- Senior Members of the Finance Team.
- Director of Economy and Skills
- Director of Education
- External Funding Manager.
- Representatives from Legal Services, Human Resources, Procurement and Information Technology as required.

All Directorates will be represented at Director level by invitation to attend CIPB as and when projects for which they are responsible are being considered. The Chair may also invite the relevant Cabinet member to attend when a project within their portfolio is being discussed.

The CIPB is supported in its work by the Strategic Regeneration Project Management Office which oversees the management and governance of strategic regeneration projects.

REPORTING

CIPB will report to Cabinet, Council and the Overview and Scrutiny Performance and Value for Money Select Committee as appropriate.

CIPB has a remit to review the financial performance of the capital programme and it will receive a monthly monitoring (highlight) report.

Issues that have been considered and agreed at the CIPB can be reported to Cabinet as necessary via the regular financial monitoring reports, presented at months 3, 6, 8 and 9.

DECISION MAKING

In relation to the approved capital programme, CIPB will make recommendations as follows:

Recommendation:
Approval of business cases.

Decision-Taker
Cabinet Member for Finance and HR, in consultation with the Executive Director Economy and Skills, and the Director of Finance.

Virements within approved programme areas.

Cabinet Member for Finance and HR, in consultation with the Executive Director Economy and Skills, and the Director of

Virements between programme areas.

Finance
Cabinet Member for Finance and HR, in consultation with the Executive Director Economy and Skills, and the Director of Finance

DECISION RECORDING

CIPB will make recommendations on receipt of a formal delegated decision report which will be presented to the appropriate Members/Officers for approval. Key decisions must be included in the published key decision document and all decisions taken (see above) will be recorded on Modern.Gov

GOVERNANCE

CIPB is the only group within the Council (below Council level) that can recommend investment in projects within the approved capital programme. Therefore, the key role of CIPB is to consider the following milestones which define key stage boundaries that require investment decisions. A project can only progress to the next stage on the recommendation of CIPB.

- Strategic business case – initial concept/scope of a project.
- Outline business case - delivery strategy to design and procurement stage.
- Full business case - design and procurement stage to delivery and handover stage.

CIPB SUB-GROUPS

CIPB may at its discretion convene a sub-group for a specific purpose or purposes. Updates from these meetings are reported to CIPB.

The core officer membership for each sub-group comprises:

- The relevant Director for specific Boards as Chair; e.g. the Director of Education & Early Years chairs the Schools Capital Programme Board.
- The Director of Legal Services
- The Director of Finance

Current sub-groups are:

- Major Projects Programme Board
- Joint Ventures Management Board
- Corporate Property Board
- Schools Capital Programme Board
- ICT Programme Board
- Transport Programme Board
- Residential Development Board

In addition there is an External Funding Group, chaired by the Director of Finance. The remit of this Group is to:

- Manage external funding at a strategic level.
- Identify potential grants and additional sources of funding.
- Manage the process for applying the funding and approve all bids for funding.
- Monitor on-going compliance with grant terms and conditions and assess any financial risk including grant claw back.
- Provide a Regeneration Plan/framework that can enable the Council to proactively react to funding opportunities as they arise.
- Ensure there are sufficient resources for the Council to be fully embedded within Association of Greater Manchester Authorities (AGMA), particularly important in light of devolution.
- Ensure there are sufficient personnel to enable the Council to proactively react to funding opportunities as they arise.

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CAPITAL PROGRAMME 2016/17 to 2020/21

BUDGETS	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Co-operatives and Neighbourhoods					
District Development	646				
District Investment Fund	336	200	200	200	200
Transportation	9,916	3,086	1,973	1,973	1,973
Private Sector Housing	990	250	300		
TOTAL	11,888	3,536	2,473	2,173	2,173
Health and Wellbeing					
Social Care	1,452	400	400	400	400
Disabled Facilities	1,073				
IT Investment	130				
TOTAL	2,655	400	400	400	400
Corporate and Commercial Services					
IT Investment	1,055	249	249	249	249
TOTAL	1,055	249	249	249	249
Economy and Skills					
Corporate Property	7,155	2,255	500	500	500
Schools	12,461	15,405			
Leisure	1,854				
Town Centre and Borough-Wide Regeneration	29,509	56,072	3,522	785	
Royton Town Hall and Royton Town Centre	1,300				
Other Priority Regeneration Schemes	7,112	92			
Digital Infrastructure	41				
TOTAL	59,431	73,824	4,022	1,285	500
Housing Revenue Account					
Extra Care Housing	114				
Capital General					
Funds to be Allocated	5,402				
BUDGETS TOTAL	80,545	78,009	7,144	4,107	3,322

CAPITAL PROGRAMME 2016/17 to 2020/21

FINANCING	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Ringfenced Grants					
Highways Maintenance Challenge Funding	-1,732	-906			
Cycle City Ambition Grant	-915				
Devolved Formula Capital (Schools)	-1,197				
DfT – Local Pinch Point Funding	-228				
Flood Defence - Flood & Coastal Risk Management Grant	-185				
Greater Manchester - Integrated Transport Block Grant	-460				
Local Growth and Reform (Round 2) - Transport	-640				
Local Growth and Reform (Round 2) - Regeneration	-2,800	-1,500			
TOTAL	-8,157	-2,406			
Un-Ringfenced Grants					
Basic Need Capital Grant	-6,097	-15,405			
Schools Condition Allocation	-4,320	-1,755			
Disabled Facilities Grant	-1,973				
Local Transport Plan (LTP) Grant	-330				
LTP - Highway Maintenance Grant	-2,716	-2,180	-1,973	-1,973	-1,973
LTP - Loan	-611				
Universal Infant Free School Meals (Kitchens)	-115				
Prior Year Grants Carried Forward	-466				
TOTAL	-16,628	-19,340	-1,973	-1,973	-1,973
Capital Receipts					
Agreed Council Resources	-10,857	-7,114	-6,232	-1,280	-1,280
Revenue Contributions Brought Forward	-18				
TOTAL	-10,875	-7,114	-6,232	-1,280	-1,280
Other Contributions					
Contributions from Third Parties		-7,500			
TOTAL		-7,500			
Other Resources					
- Prudential Borrowing	-27,070	-36,506	1,061	-854	-69
Prudential Borrowing - underwriting expected grants, contributions and fundraising	-9,440	-1,500			

FINANCING	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Revenue Contributions					
Housing Revenue Account	-2,547	-4,867			
Other	-4,605				
TOTAL	-7,152	-4,867			
FINANCING TOTAL	-79,321	-79,233	-7,144	-4,107	-3,322
(Under)/Over Programming	1,224	-1,224	0	0	0

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Report to COUNCIL

Housing Revenue Account Estimates for 2015/16 to 2020/21

Portfolio Holder:

Joint Report of the Cabinet Member (Finance and HR),
Councillor Abdul Jabbar and Cabinet Member (Housing,
Planning and Transport), Councillor David Hibbert

Officer Contact: Anne Ryans (Director of Finance)

Report Author: John Hoskins (Finance Manager)
Ext. 1323

24 February 2016

Reason for Decision

The report sets out the latest Housing Revenue Account (HRA) outturn estimate for 2015/16, the detailed budget for 2016/17 and strategic estimates for the four years 2017/18 through to 2020/21. The report also sets out the recommended dwelling and non-dwelling rents and service charge increases to be applied from April 2016.

Executive Summary

The report sets out the HRA estimated outturn for 2015/16 and the proposed 2016/17 Original Budget. The opportunity is also taken to present the provisional Strategic Budgets for 2017/18 through to 2020/21

After taking all relevant issues into account, the projected financial position for 2015/16 is estimated to be a £0.350m adverse variance when compared to the original forecast made in February 2015. The variance is largely attributable to the continuing support of the District Heating System and its associated utility and management costs. In addition the HRA has incurred further liabilities in 2015/16 as a result of unforeseen void property charges and additional contract management advisory costs.

The financial position for 2016/17 shows an estimated HRA closing balance of £15.447m which is considered to be sufficient to meet the future operational commitments and the potential financial pressures identified in the risk assessment. The 2016/17 position has been presented after allowing for an average increase in rent of 0.9%.

Members will recall that it had initially been understood that Social Housing would benefit from a 1% rent reduction for a 4 year period. The Government has advised that PFI properties will continue to operate under the current rent restructuring programme. As all Oldham housing stock is contained within 2 PFI schemes the 2016/17 budget will follow current rent setting guidance of CPI plus 1% resulting in an increase of 0.9%.

The strategic estimates for 2017/18 to 2020/21 are included in the report and highlight that due to the limited nature of activity in the HRA and as a result of the operation of the two PFI contracts, the HRA financial position is expected to be stable going forward.

The proposed HRA Budget for 2016/17 and future years was subject to scrutiny at the Overview and Scrutiny Performance Value for Money Committee on the 21 January 2016. The Committee was content with the information in the report and recommended it to Cabinet for consideration. It should be noted that this meeting predated changes to the Welfare Reform and Work Bill and also the approval by Cabinet of the report on Princes Gate, all of which have had an impact on HRA balances and are now included in this report.

Recommendations

That Council approves the:

1. Forecast HRA out-turn for 2015/16; (as per Appendix A)
2. Proposed HRA budget for 2016/17 (as per Appendix B)
3. Strategic estimates for 2017/18 to 2020/21 (as per Appendix D)
4. Proposed increase to dwelling rents for all properties of 0.9%
5. Proposed increase to non-dwelling rents of 1%
6. Proposed increase to PFI 2 service charges to continue on previously approved transitional arrangements
7. Proposed increase to PFI 4 service charges to be based on a review of the actual charges incurred.

Housing Revenue Account Estimates 2015/16 to 2020/21**1 Background**

- 1.1 The budget and policy framework, sets out an annual timetable for the HRA budget process. Production of this report and the ability to scrutinise the budget, are key features of that framework, along with consultation with tenants. The HRA Budget report for 2016/17 is therefore presented for approval by Council having been subject to scrutiny at the Overview and Scrutiny Performance and Value for Money Select Committee on 21 January 2016 and considered and approved by Cabinet at its meeting on 11 February 2016.

2 Current Position**Housing Stock**

- 2.1 The housing stock currently comprises 2,065 properties with all properties now being managed and maintained within the two Private Finance Initiative (PFI) schemes. In addition, there are formally approved works for the Council to build out the remainder of Primrose Bank - Phase 1, resulting in a potential additional 17 new builds to the HRA estate. It is intended that these additional properties will be completed by 31st March 2017. However it should be noted that the allocation of these properties into the HRA is a fallback position, the initial focus being that all properties will be sold privately. As the inclusion of these properties within the HRA is a fallback position, all anticipated revenue streams have been excluded from current HRA projections until the final sales figures have been confirmed.

PFI 2

- 2.2 The PFI 2 contract between the Council and Housing 21 was signed in 2006 to provide 1,431 sheltered accommodation dwellings in a mixture of bungalows and group schemes with construction finishing in May 2012. The operational contract runs to September 2036. The total construction value is £105m, all of which is payable through the annual unitary charge and funded by the annual PFI grant.
- 2.3 The project has had a lengthy dispute profile, and on three occasions the Authority's right to levy deductions has been referred to Adjudication, the last of which was in May 2012. In all cases the Authority has been successful in defending its position. Following further negotiation, in July 2013 a Deed of Variation was signed between the Council and Housing 21, committing Housing 21 to a comprehensive schedule of works to bring the dwellings up to the agreed contractual standards by 2016. A condition of the deed was the withdrawal of a number of compensation claims that had been submitted by Housing 21.

- 2.4 The work is well advanced and has generally been completed to the Council's satisfaction. However until all the works are completed, there obviously remains a residual financial and operational risk and the Council will maintain its rigorous inspection regime for the period of the works. The HRA budget for 2016/17 has been prepared on the assumption that payments to Housing 21 will be in accordance with the continued satisfactory undertaking of the Deed of Variation.

PFI 4 Gateways to Oldham

- 2.5 The Gateways to Oldham PFI 4 scheme reached financial close in November 2011 and has seen the refurbishment of 317 existing properties and the creation of 317 new homes, with a total capital value of £77m. The Council has entered into a 25 year contract with Inspiral Oldham who is using private finance to fund the construction works and manage and maintain the properties for the duration of the contract through to October 2036. Construction was completed in December 2014 (317 refurbishments and 317 new homes in total) with all the required highway works and public open space improvements finalised in November 2015. As a result of the delays to the infrastructure works there has been a small saving to the 2015/16 unitary charge.
- 2.6 To assist with overall Programme Affordability, the Authority has made a total capital contribution of £12.036m with payments being phased as dwellings were commissioned.

The Self-Financing Housing Revenue Account

- 2.7 April 1st 2012 saw the introduction of the Self Financing Housing Revenue Account, replacing the Government housing subsidy regime. In practical terms the HRA is now a self-sufficient ring-fenced account which will retain and use rental income, and in the case of Oldham, PFI credits, to meet all its management, maintenance and repairs commitments, including the respective unitary charges. The aim of the reforms was to enable Councils to manage their housing stock for the benefit of local residents in a transparent, accountable and cost effective way.
- 2.8 As part of the self-financing settlement the Department for Communities & Local Government (DCLG) fully re-paid the debt allocated to the HRA. Linked to the settlement, DCLG also issued a 'limit of indebtedness', which in practical terms enables the HRA to raise approximately £9m in new borrowing.
- 2.9 A further key element of the self-financing arrangement was a decision taken by Government to provide a five year transition period during which depreciation need not be charged in the HRA. This transitional period is due to finish in 2016/17 with the first actual depreciation charge against the HRA being made in 2017/18. However as yet, no formal notification has been

received confirming this arrangement. Charging depreciation within the HRA will ensure Authorities are accumulating appropriate balances in order to have sufficient resources to allow for any repairs needed to their housing stock. Oldham has incorporated the full depreciation charge within the Business Plan on an ongoing basis from 2017/18.

Rent Restructuring

- 2.10 Rent restructuring (convergence) was introduced in 2002/03. This set out a new methodology for the calculation of dwelling rents, attempting to equalise rent charges between Local Authorities and Housing Associations over ten years.
- 2.11 Oldham Council complied with the restructuring guidance in each year from 2002/03 including those years when voluntary individual rent increase limits was requested.
- 2.12 In October 2013 the Government issued consultation papers entitled “Rents for Social Housing from 2015-16” and also “Direction on the Rent Standard 2013” in which it recommended that the date of convergence be brought forward by one year from 2015/16 to 2014/15. In addition the paper also outlined a move away from annual increases in weekly rents from RPI + 0.5% to CPI + 1% (effective from 1st April 2015). These proposals were formalised in the government document, “Direction on the Rent Standard 2014” published 23rd May 2014. Reasons for the shift to CPI were that the move brought with it increased stability for both tenants and landlords as the calculations did not include housing costs which in previous years has led to increased rate volatility. The 2015/16 HRA budget and future years’ financial forecasts were prepared reflecting Government policy.
- 2.13 In the Chancellor’s Summer Budget announcement in July 2015 and the subsequent Welfare Reform and Work Bill, Government detailed legislative moves to impose social rent reductions at 1% for the next four years (2016/17 to 2019/20), in effect unwinding previous policies of rent convergence. The Chancellor indicated that given the level of social rents funded by Housing Benefit, this move would lead to significant public sector savings.
- 2.14 The level of rents recommended for approval for 2016/17 and included in the 2016/17 budget projections follows the current government guidance. The enactment of the Welfare Reform and Work Act 2015/16 will to have no effect on the Council’s rent setting process as all PFI properties are set to be excepted from the social housing rent reduction. The 2016/17 annual rents proposed for all HRA tenants will see rents increase by 0.9% (CPI as at September 2015 -0.1% plus 1%).
- 2.15 Based on government guidance for rent increases, it is estimated that the average rent increase from April 2016 will be £0.71 (from £79.27 to £79.98 on a 48 week basis).

The Revised HRA Budget 2015/16

- 2.16 The 2015/16 estimated outturn is attached at Appendix A showing an estimated year-end working balance of £17.142m, £0.350m lower than estimated in the Budget Council meeting held in February 2015. This variance is largely attributable to the continued support of the District Heating System and its associated utility and management costs. In addition the HRA incurred further liabilities in 2015/16 as a result of unforeseen void property charges and additional contract management advisory costs.
- 2.17 The composition of the balance is summarised below;

Analysis of HRA Balances 2015-16	Original Budget £m	Revised Budget £m	Variance £m
HRA Balances b/fwd	(16.062)	(16.374)	(0.312)
(Surplus)/Deficit for the year on HRA Services	(1.430)	(0.768)	0.662
HRA Balances c/fwd	(17.492)	(17.142)	0.350

The HRA Budget 2016/17

- 2.18 The proposed HRA budget for 2016/17 is attached at Appendix B including all balances, income and expenditure met from the two PFI reserves.
- 2.19 PFI credits for the two schemes are paid on an annuity basis; that is, they remain constant throughout the life of the projects. In the early years of the schemes, these credits exceed the unitary charges and other costs payable. These early year surpluses, together with any interest earned, are retained to meet later year deficits as unitary charge payments to the service provider are increased year on year by an inflationary factor. All HRA balances are specifically earmarked for these projects, as identified in Appendix B.
- 2.20 Other key assumptions made in determining the budget are that:
- (1) Average rents are 0.9% higher than for 2015/16 for all HRA tenants.
 - (2) Void levels have been assumed at 2% per annum on PFI 4 properties and a 3% void level on PFI 2 properties. PFI 2 void percentages have been increased by an additional 1% from the previous assumptions, to reflect the current tenancy placement work ongoing, ensuring that tenant mixes in the six Extra Care Schemes are appropriate to the levels of care provision required. The 3% void levels have been considered to be a more prudent, ongoing assessment of the PFI 2 property void position.

- (3) There are 48 chargeable rent weeks in 2016/17
 - (4) Service Charges and Extra Care Housing charges are continued/applied from April 2016 in line with previous approval.
- 2.21 The estimated 2016/17 HRA closing balance of £15.447m is considered to be sufficient to meet the future operational commitments and the potential financial pressures identified in the risk assessment. Appendix B presents the projected 2016/17 HRA budget based on the currently approved position.

Dwelling Rent, Non-Dwelling Rents and Services Charges Increases 2016/2017

- 2.22 The HRA 2016/17 budget has been calculated assuming current rent setting Government guidance. Therefore rents have been increased in line with current rent setting legislation as outlined in paragraph 2.14 above. Service charges are also exempt from the 1% social rent reduction legislation. It is therefore, the Council's intention to increase service charges in line with transitional arrangements, actual charges incurred and inflation.
- 2.23 Central heating charges remain for some of the PFI properties and it is proposed to continue recharging tenants on the basis of actual costs incurred.
- 2.24 Service charges will continue to be passed on to all PFI 2 tenants in 2016/17, following the widespread consultation in October 2013. The Cabinet meeting of 16th December 2013 approved service charging with a phased 5-year implementation with increases on a straight line 20% basis.
- 2.25 From the Council's perspective, service charges were deemed necessary as it helped minimise long term risk to the Council's HRA Business Plan whilst also serving to establish a more stable and realistic financial environment in which to manage the housing stock.

Extra Care Housing (ECH) Phase 1

- 2.26 Four PFI 2 schemes were initially identified to benefit from an enhanced care, support and security offer starting in 2014. Venues chosen were Trinity House (Coldhurst), Aster House (Coldhurst), Tandle View Court (Royton) and finally Charles Morris House (Failsworth). This accommodation is for those who need additional care and support that is not available within other available housing with care options e.g. Sheltered Accommodation.
- 2.27 On the 24th February 2014 Cabinet approved a plan to implement a new care and support offer during the day, with a night time concierge service for residents delivered by our PFI partner Housing 21. This took the four schemes from Sheltered Accommodation to Extra Care Accommodation. Extra Care Housing is a step up from Sheltered Housing and a step down from 24 hour residential or nursing placements. An exercise was undertaken to review the offer within the other 4 schemes. At its meeting on 26th January 2015, Cabinet approved proposals for the

implementation of Extra Care within Old Mill House and Hopwood Court (Extra Care Phase 2a).

2.28 As part of the implementation of Phase 1 Extra Care Housing, the HRA budgeted to help fund a range of non-recoverable one-off costs. The latest estimates are that these costs will total approximately £0.230m (£0.036m of this balance having already been incurred in 2014/15). In addition to these costs the HRA will also incur an additional non-recoverable, recurrent, CCTV revenue maintenance cost estimated to be in the region of £0.033m per year, whilst also committing to underwrite the phased implementation of night concierge cost recovery. The original expectation was that Extra Care Housing Phase 1 would be implemented as from April 2014, however due to difficulties in identifying a suitable care partner and also issues encountered when recruiting to the night concierge positions the first ECH site didn't go live until September 2014.

2.29 The remaining budget impact on the HRA of the adoption of ECH Phase 1 is as follows –

Description	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 Onwards £k
Night Concierge Costs	142	145	148	151
Night Concierge Costs Recovery	(72)	(111)	(126)	(130)
One Off Costs	137	57		
CCTV Maintenance	33	33	33	33
Net Impact on HRA	240	124	55	54

2.30 The proposed HRA budget and associated balances are based on current estimates. This has led to a reduction of the HRA balance relating to Extra Care Phase 1 of £240k in 2015/16, £124k in 2016/17, a further £55k in 2017/18 and an on-going £54k thereafter.

Extra Care Housing Phase 2a & 2b

2.31 At the Cabinet meeting of the 26th January 2015, formal approval was given for the introduction of two further Extra Care Housing schemes, namely Old Mill House and Hopwood Court.

2.32 The profiled impact on the HRA of the adoption of ECH Phase 2a is as follows –

Description	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 Onwards £k
Night Concierge Costs	30	73	74	76
Night Concierge Costs Recovery	(13)	(31)	(49)	(57)
CCTV Maintenance	7	17	17	17
Net Impact on HRA	24	58	42	36

Note - 2015/16 is a part year, November to March 2016.

2.33 Following further feasibility studies and tenant consultation a decision was recently made not to continue with phase 2b. This would have seen an additional two extra care housing schemes within the borough. The number of schemes will therefore stay at six. This decision was made by the Cabinet Member for Social Care and Safeguarding and the Cabinet Member for Housing, Planning and Transport under delegated powers.

Pay to Stay Policy

2.34 Pay to Stay is the name of a government policy whereby Council tenants earning £30,000 or more (£40,000 in London) will have to pay "market or near market rents". The measure is due to come into effect in April 2017 with the Institute for Fiscal Studies estimating that the policy will impact upon 10% of social housing tenants. Previously Councils had the option of charging near market rates to those on incomes of £60,000 or more.

2.35 The Council has assessed the likely impact of this policy and has confirmed that there will be only a limited impact on its projected HRA balances, primarily due to the increased administration burden of enforcing the policy. Any additional rental income generated by local authorities due to the charging of market rent in place of social rent will not benefit Councils but will need to be transferred to Central Government.

Sale of High Value Council Homes

2.36 Another government policy is the proposed imposition on Councils to sell off high value Council homes once that property becomes vacant. The aim of the policy is that Councils could sell stock in their higher value areas and use the capital receipt to build more houses in lower value areas.

- 2.37 The policy looks to define a high value Council home in relation to average values in each region. If the property value exceeds the thresholds set out in the table the table below, it would be deemed to be high value.

North West Region – High Value Thresholds

Property Type	£
1 Bedroom	90,000
2 Bedroom	130,000
3 Bedroom	160,000
4 Bedroom	270,000
5+ Bedroom	430,000

- 2.38 It is assumed that the policy will have minimal impact on the Council as the current stock holdings either all fall below the Region's threshold or are deemed exempt from the policy.

Strategic HRA estimates 2017/18 to 2020/21

- 2.39 The projected forecasts for 2017/18 to 2020/21 are attached at Appendix D. As per 2.1, the HRA now only includes properties which are contained within the two PFI contracts. It is expected that the HRA balance will be £10.249m at the end of 2017/18, £9.836m at the end of 2018/19, £9.429m at the end of 2019/20 and making further use of HRA balances in 2020/21, resulting in a projected closing balance of £8.684m.
- 2.40 It should be noted that in both PFI schemes a proportion of the unitary charge is indexed with reference to inflation (RPI). Nonetheless, the HRA remains in a stable financial position going forward.
- 2.41 There is the potential for HRA balances being used to implement further supported accommodation proposals and also to support social housing developments included within town centre regeneration schemes.
- 2.42 At the Cabinet meeting of January 25th 2016, approval was granted for the regeneration at Princes Gate. As part of this regeneration works there is a commitment from HRA balances of £2.433m in 2016/17 and a further £4.867m in 2017/18, resulting in a total HRA contribution of £7.3m. This revenue contribution to capital outlay (RCCO) has been built into the HRA Budget Plan figures and is contained within the rents, rates and other charges heading in both 2016/17 and 2017/18.

3 Options/Alternatives

3.1 In order that the Council complies with legislative requirements, it must consider and approve a HRA budget for 2016/17.

3.2 Within the Summer Budget Announcement of July 2015, the Government announced legislation to impose a 1% per annum social rent reduction for 4 years. All Oldham housing stock will be exempt from this decrease and an increase will be applied in accordance with current guidance.

3.3 Should the Council wish to move away from the established practice of following Government guidelines, then two potential scenarios have been assessed by way of example, the:

- proposed rent increase of £0.71 per week is reduced to £0.35
- proposed rent increase is removed altogether.

The loss to the HRA in terms of rental income would be:

Average Increase in Rent	£0.35 £k	£0.00 £k
Impact in 2016/17	34	69
Impact over life of Business Plan	1,228	2,456

3.4 Clearly, whilst the impact in 2016/17 is not huge, the cumulative impact of sustained income losses of income would have a lasting impact on the long term financial strength of the HRA and potentially its ability to meet its current and future financial commitments.

4 Preferred Option

4.1 The preferred option is that the recommendations of the report are approved.

5 Consultation

5.1 Consultation has taken place with Executive Members, Service Providers and Tenants throughout the year. Where schemes have had a significant impact on a particular group of tenants or subsequently had a material impact on the HRA budget such as Extra Care Housing, the Council has endeavoured to undertake a thorough consultation with tenants. In addition, the Council has implemented additional, more regular drop-in sessions such as Court Voices where tenants are encouraged to raise any concerns and allowing a forum for further consultation. A key element of the consultation process was the consideration of the HRA budget by the Overview & Scrutiny Performance & Value for Money Select Committee at its meeting on

the 21st January 2016. The HRA budget was also presented to Cabinet on 11th February 2016 and recommendations were approved.

- 5.2 It should be noted that the Overview and Scrutiny Performance Value for Money Committee meeting predated the exempting of all PFI properties from the social housing rent reduction policy. In addition the meeting also predated approval by Cabinet of the report on Princes Gate both of which have an impact on HRA balances, and are now included in this report.

6 Financial Implications

- 6.1 Proposals set out in this report are based upon the best assessment of the likely financial position of the Council's HRA for 2015/16 to 2020/21. Prudent assessments have been included within these estimates and the financial impact of any variances is identified in the Risk Assessments undertaken.

- 6.2 At this time, the HRA balances are deemed sufficient to meet its known obligations for the foreseeable future. (John Hoskins)

7 Legal Services Comments

- 7.1 It is statutory requirement that the Authority set a balanced HRA budget, having due regard to an appropriate level of working balances and giving due consideration to the risks involved. (Bill Balmer)

8. Co-operative Agenda

- 8.1 The HRA budget has been prepared so that resources are utilised to support the aims, objectives and co-operative ethos of the Council.

9 Human Resources Comments

- 9.1 None

10 Risk Assessments

- 10.1 The HRA budget set out in this report is based on the best assessment of the likely financial position of the HRA in 2015/16 and 2016/17. Attached at Appendix C is a risk register as at February 2016. Forecasting remains challenging and there are a number of key issues that, should they change, affect the proposed budget. For example, there would be a risk to income if the void level was higher than the 2016/17 budgeted levels. The impact upon income is that a 1% increase in voids across both PFI 2 and PFI 4 properties costs approximately £78k in a full year.

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 None

13 **Procurement Implications**

13.1 None

14 **Environmental and Health & Safety Implications**

14.1 There are non-specific at this stage

15 **Equality, community cohesion and crime implications**

15.1 Continuation of a robust consultation process open to all tenants and tenants representatives will ensure maximum engagement and provide the opportunity for the views of all groups to be considered in setting the HRA budget and the provision of services to tenants.

16 **Equality Impact Assessment Completed?**

16.1 Not applicable

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 CFHR 25 15

19 **Background Papers**

19.1 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 attached as Appendices A to E
Officer Name: John Hoskins, David Leach & Anne Ryans
Contact No: 0161 770 1323/6679/4902

20 **Appendices**

20.1	Appendix A	Revised HRA Income & Expenditure Account 2015/16
	Appendix B	Original HRA Income & Expenditure Account 2016/17
	Appendix C	2016/17 – 2020/21 Risk Assessment as at February 2016
	Appendix D	HRA Income & Expenditure Account 2016/17 to 2020/21 Strategic Forecasts

Revised HRA Income & Expenditure Account 2015/16	Original Budget	Latest Forecast	Variance to Budget
	£k	£k	£k
Income			
Dwellings rents (gross)	(7,510)	(7,425)	85
Non Dwelling Rents	(36)	(77)	(41)
Charges for services and facilities	(1,464)	(1,240)	224
Contributions towards Expenditure	(745)	(42)	703
PFI Grant	(18,786)	(18,786)	0
Total Income	(28,541)	(27,570)	971
Expenditure			
Unitary Charge Payments (PFI2 and PFI4)	22,395	22,335	(60)
Supervision & Management	436	435	(1)
Depreciation and impairment of Fixed Assets	146	146	0
Rent, rates and other charges	4,175	3,930	(245)
Debt management costs	145	145	0
Total Expenditure	27,297	26,991	(306)
Net Cost of HRA Services	(1,244)	(579)	665
Interest payable and other similar charges	0	0	0
Interest and Investment Income	(186)	(189)	(3)
(Surplus)/Deficit for the year on HRA Services	(1,430)	(768)	662
HRA Balances brought forward	(16,062)	(16,374)	(312)
HRA Balances carried forward	(17,492)	(17,142)	350

Analysis of HRA Balances carried forward	£k	£k	£k
Balances specifically earmarked for PFI 2 scheme	(14,834)	(15,562)	(728)
Balances specifically earmarked for PFI 4 scheme	(2,658)	(1,580)	1,078
HRA Balances carried forward	(17,492)	(17,142)	350

Note – The variance against Contribution towards Expenditure was as a result of a change to the contract relating to the collection of water rates. When the original budget was set, the HRA collected all water rates from tenants and passed them to the supplier, however in March 2015 a decision was taken for the supplier to bill tenants direct. This resulted in a large reduction to the levels of income expected.

Proposed HRA Budget 2016/17

<u>Original HRA Income & Expenditure Account 2016/17</u>	Original Budget
	£k
Income	
Dwellings rents (gross)	(7,716)
Non Dwelling Rents	(77)
Charges for services and facilities	(1,392)
Contributions towards Expenditure	(16)
PFI Grant	(18,786)
Total Income	(27,987)
Expenditure	
Unitary Charge Payments (PFI2 and PFI4)	22,772
Supervision & Management	438
Depreciation and impairment of Fixed Assets	146
Rent, rates and other charges	6,545
Total Expenditure	29,901
Net Cost of HRA Services	1,914
Interest payable and other similar charges	0
Interest and Investment Income	(219)
(Surplus)/Deficit for the year on HRA Services	1,695
HRA Balances brought forward	(17,142)
HRA Balances carried forward	(15,447)

Analysis of HRA Balances carried forward	£
Balances specifically earmarked for PFI 2 scheme	(12,035)
Balances specifically earmarked for PFI 4 scheme	(3,412)
HRA Balances carried forward	(15,447)

HOUSING REVENUE ACCOUNT

2016/17 – 2020/21 RISK ASSESSMENT AS AT FEBRUARY 2016

<u>RISK EVENT/ DESCRIPTION</u>	<u>LIKELIHOOD</u>	<u>IMPACT</u>	<u>RESERVE POSITION</u>
1. The void level assumed on dwelling properties increases.	The budget has been set assuming a 2016/17 void rate of 2% on PFI 4 properties and a 3% void rate on PFI 2 properties. These are believed to be realistic estimates at this time.	A change in the void percentage of 1% (approximately 21 properties) has the impact, in a full year, of £78k.	The loss of income arising from movement in void levels would need to be met from HRA balances. The HRA has sufficient balances to absorb the movement on voids, again it should be noted that the lost income is likely to be offset by reduced Unitary Charge payments.
2. Impact of changes in rental income collection rates.	The collection of rental income is a key performance indicator and one in which the PFI providers have performed at the highest level. Historically It has been considered a low risk that this collection rate will deteriorate to a level to the point where it has a significant impact on the revenue budget. Welfare Reform has the potential to impact on the collection on rent.	Rental income is accounted for in the HRA on a rents receivable not received basis. Continuous monitoring of the levels of uncollected income will help inform the provisions position needed for bad debts.	The current HRA bad debt provision is considered to be prudent for the levels of uncollected income currently being held/forecast within the HRA. Balances are considered sufficient to deal with any impending changes to the benefits system

<u>RISK EVENT/ DESCRIPTION</u>	<u>LIKELIHOOD</u>	<u>IMPACT</u>	<u>RESERVE POSITION</u>
3. Service Charge Recovery	2016/17 will be the third year that service charges will be charged to PFI 2 tenants. Implementation is to be phased in over 5 years i.e. 60% recovery in 16/17, 80% recovery in 17/18. These service charges are eligible for Housing Benefits so it is of relatively low risk that the majority of service charge costs will be recovered. Self-payers however may incur some level of difficulty however the percentage of self-payers as part of the overall tenancy profile is relatively small	In 2016/17 each tenant will need to pay on average £452 towards service charges. Costs of initiating and maintaining recovery processes will also need to be considered.	Each tenant failing to pay their service charge will have a detrimental effect on the reserve, although given the close correlation to Housing Benefit, the levels of collection are estimated to be high.
4. Extra Care Housing (ECH) Charge Recovery	2016/17 will be the third year that ECH charges will be charged to 4 group schemes within PFI 2 and the second year for tenants in Phase 2a. Implementation is to be phased in over 3 years i.e. 33% recovery in the first year, 66% recovery in the second and full recovery the years following. ECH charges are eligible for Housing Benefits so it is of relatively low risk that the majority of ECH charge costs will be recovered. Self-payers however may incur some level of difficulty however the percentage of self-payers as part of the overall tenancy profile is relatively small and the transitional phasing of these costs should help.	In 2016/17 each qualifying tenant i.e. a tenant within one of the six approved Extra Care Housing Group Schemes, will need to pay on average £550 towards ECH charges. Costs of chasing recovery will also need to be considered.	Each tenant failing to pay their ECH charge will have a detrimental effect on the reserve, although given the close correlation to Housing Benefit, the levels of collection are estimated to be high.

<u>RISK EVENT/ DESCRIPTION</u>	<u>LIKELIHOOD</u>	<u>IMPACT</u>	<u>RESERVE POSITION</u>
5.Rent Restructuring	In October 2013 the DCLG approved a move to CPI plus 1% as the basis of the annual rental increase calculation as opposed to previously using the inflator of RPI plus 0.5%. The largest inflationary cost increase to the HRA is the uplift in the unitary charge which is linked to RPI. The move to different measures of inflation potentially being applied to income and expenditure, may introduce increased risk exposure to an inflationary pressure in the event that CPI+1% falls below RPI+0.5%.	As of September 2015, the month used for all rent calculations, there was a - 0.4% difference in the two inflators. The business plan has been modelled on this basis.	The movement in the respective indices will be monitored on an on-going basis, it is however considered that there is sufficient tolerance within the predicted cumulative HRA balances to manage this risk

Proposed HRA Budget 2016/17 – 2020/21

HRA Income & Expenditure Account 2017/18 to 2020/21 Strategic Forecasts	Original 2016/2017	Original 2017/2018	Original 2018/2019	Original 2019/2020	Original 2020/2021
	£k	£k	£k	£k	£k
Income					
Dwellings rents (gross)	(7,716)	(7,871)	(8,028)	(8,359)	(8,352)
Non Dwelling Rents	(77)	(78)	(79)	(80)	(81)
Charges for services and facilities	(1,392)	(915)	(998)	(1,005)	(1,013)
Contributions towards Expenditure	(16)	(44)	(43)	(43)	(43)
HRA Subsidy ~ PFI Credits	(18,786)	(18,786)	(18,786)	(18,786)	(18,786)
Total Income	(27,987)	(27,694)	(27,934)	(28,273)	(28,275)
Expenditure					
Unitary Charge Payments (PFI2 and PFI4)	22,772	23,091	23,414	23,745	24,081
Supervision & Management	438	440	443	445	448
Depreciation and Impairment of Fixed Assets	146	2,531	2,531	2,531	2,531
Rent, rates and other charges	6,545	7,074	2,208	2,208	2,209
Total Expenditure	29,901	33,136	28,596	28,929	29,269
Net Cost of HRA Services	1,964	5,442	662	656	994
Interest payable and other similar charges	0	0	0	0	0
Interest and Investment Income	(219)	(244)	(249)	(249)	(249)
(Surplus)/Deficit for the year on HRA Services	1,695	5,198	413	407	745
HRA Balances brought forward	(17,142)	(15,447)	(10,249)	(9,836)	(9,429)
HRA Balances carried forward	(15,447)	(10,249)	(9,836)	(9,429)	(8,684)
Analysis of HRA Balances carried forward					
Balances specifically earmarked for PFI 2 scheme	(12,035)	(6,757)	(5,110)	(3,815)	(2,608)
Balances specifically earmarked for PFI 4 scheme	(3,412)	(3,492)	(4,726)	(5,614)	(6,076)
HRA Balances carried forward	(15,447)	(10,249)	(9,836)	(9,429)	(8,684)

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Oldham
Council

Report to Council

STATEMENT OF THE CHIEF FINANCIAL OFFICER ON RESERVES, ROBUSTNESS OF THE ESTIMATES AND AFFORDABILITY AND PRUDENCE OF CAPITAL INVESTMENTS

Portfolio Holder: Cllr Abdul Jabbar (Finance and Human Resources)

Officer Contact: Anne Ryans (Director of Finance)

Report Author: Mark Stenson – Head of Corporate Governance

Ext. 4783

24 February 2016

Reason for Decision

To recommend that Council agrees the level of balances necessary to support the 2016/17 budget, the scrutiny of the level of earmarked reserves by the Audit Committee during 2016/17 and agrees the actions necessary to secure a properly balanced budget and the prudence of capital investments within the present budget proposals.

Executive Summary

In order to comply with Section 25 of the Local Government Act 2003; the Authority's Chief Financial Officer (the Director of Finance) is required to report on the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed reserves. This information enables a longer-term view of the overall position to be taken. It also reports on the Director of Finance's consideration of the affordability and prudence of capital investment proposals. The level of general balances to support the budget and appropriate earmarked reserves maintained by the Council in accordance with the agreed Council Policy on Earmarked Reserves are an integral part of its continued financial resilience.

The Council's external auditors, Grant Thornton, the Audit Commission (prior to their abolition) and the National Audit Office have all issued one or more reports dealing with the very challenging financial future all Councils, including Oldham, are facing and how this is being dealt with. These reports are:

- The Reforging Local Government publication which is the 5th annual update by Grant Thornton about the future financial resilience of Local Authorities.
- Striking a Balance about the level of reserves held by Councils produced by the Audit Commission.

- Financial Sustainability of Local Government 2014 produced by the National Audit Office

Members can be assured that Oldham Council continues to be very well placed to meet these challenges. The Council is preparing a detailed two year revenue budget within a five year Medium Term Financial Strategy (MTFS), a five year approved capital programme and an early closure of accounts allowing early focus on the coming challenges and a robust financial transformation programme.

This financial resilience does depend in part on the Council maintaining an adequate level of reserves which are set out in this report. In order to scrutinise the level of reserves held by the Council, the position at the 2014/15 year-end was considered by the Audit Committee in September 2015 and it is proposed to action the same review again this year after the closure of the accounts for 2015/16.

Cabinet considered the report outlining the Statement of the Chief Financial Officer on reserves, robustness of the estimates and affordability and prudence of capital investments at its meeting on 11 February. It approved the report and commended the recommendations to Council.

Recommendations

It is recommended that Council:

- Approves the General Balances currently calculated for 2016/17 at **£18,557k** financed by the required element of the underspend currently envisaged for the financial year 2015/16.
- Notes that the initial estimate of General Balances to support the 2017/18 and 2018/19 budgets are amounts of **£18,393k and £18,143k** reflecting the budgetary challenges for these financial years.
- Notes the intended report to the Audit Committee after the financial year-end to ensure the Council earmarked reserves as at the end of the financial year 2015/16 are subject to appropriate scrutiny
- Approves the actions necessary to secure a properly balanced budget as noted in paragraph 3.5
- Approves the actions necessary to ensure the prudence of the capital investments as noted in paragraph 4.4

1.0 Background on calculating the recommended Level of General Balances to support the 2016/17 Budget

1.1 There are two approaches for deciding the optimum level of the General Contingency Reserve required for the Council to support its annual budget process. This is either a percentage of expenditure, which at one stage was recommended by the external auditors to be at a minimum 5% of net expenditure, or an approach based on an assessment of risk.

1.2 The agreed Council approach adopted for a number of years is to use a risk based approach based upon 11 areas of assessed risk:

- Inflation is underestimated in the original estimates
- Interest rates are underestimated
- Changes to grant funding regimes
- Some budgets are only indicative at the time the budget is agreed
- Volatility in some budget headings between years
- Efficiency gains expected in the agreed budget are not achieved
- Unforeseen insurance costs
- Emergencies which can be foreseen which occur on an ad hoc basis
- Changes to budgets where targets are not met
- Financial and Partnership guarantees given by the Council
- Unforeseen events

1.3 The calculation to support the 2016/17 budgets is detailed at Appendix 1. It also calculates an indicative recommended level of balances to support the 2017/18 and 2018/19 budgets. These allow for the current pressured state of the Council's finances which by way of example include, as the latest budget monitoring report highlights, pressures in certain services.

1.4 The recommended level of general balances to support the 2016/17 budgets is **£18,557k**, which is an increase of £435k on the 2015/16 balances at the financial year-end.

1.5 The detailed assumptions supporting the assessment of risk within the detailed general balances calculation are set out in Appendix 2.

1.6 The indicative level of balances for 2017/18 are **£18,393k** and for 2018/19 **£18,143k**. These are in line with the level of risk included in the 2016/17 calculation and reflect the need to keep an appropriate level of general balances to manage known challenges which include continued significant reductions in Central Government support resulting in a challenging savings target for both years on top of significant efficiencies already achieved.

2. Earmarked Reserves

2.1. The Council had 18 Earmarked Reserves as summarised in Appendix 3 totalling £98,697k as at the year-end for 2014/15. Management of these reserves takes place via the monthly monitoring reports during the financial year and at the year-end as part of the closure of accounts.

2.2 A risk assessment has been undertaken of the current Earmarked Reserves being utilised in the future as detailed in Appendix 3.

2.3 The Earmarked Reserves to meet known or expected liabilities where it is challenging to be specific about the exact financial amount of liability are:

- Insurance Reserve
- Budget Reserve
- Levy Reserve
- Adverse Weather Reserve
- Children's Reserve
- Efficiency Reserve
- Corporate Strategy Reserve.
- PFI Reserves
- BSF Reserve
- Fiscal Mitigation Reserve
- Taxation Reserve

2.4 The Earmarked Reserves required for other more specific, including invest to save purposes are:

- Individual Schools Balances
- Special Projects Reserve
- District Partnerships Reserve
- Future Liabilities Reserve
- Revenue Grants Reserve
- Business Units Reserve
- Directorate Reserve

3. Robustness of the Estimates

3.1 Key factors in ensuring the robustness of estimates include the initial challenge process to establish the budget options, essential project management for the proposals, monitoring and reporting arrangements and the utilisation of key, skilled finance staff in drawing up detailed estimates and monitoring proposals going forward. Cross cutting and sound key assumptions are also vital in ensuring proper estimates.

3.2 There are a large number of factors which are making the management of the Authority's budget much more challenging from April 2016 than it has been in the past. These include:

- Unprecedented reductions in government funding for a sustained period, constrained Council Tax increases until 2016/17, a decline in other income, rising costs and growing demand for many services are all challenging Councils' financial management and resilience.
- The continued potential changes in council funding with the full retention of local business rates in the future and potential new arrangements for changes to benefits associated with the expansion of Universal Credit. The impact of these changes, and the level of further funding reductions in 2017/18 and 2018/19, is not fully known, but the financial climate is more volatile with the Council carrying more financial risk than has ever been the case and funding is assumed to reduce for the foreseeable future

3.3 These current and future financial challenges pose significant, and increasing risks and require robust financial and budget management along with increased reserves to strengthen resilience against future uncertainty

3.4 The preparation of the estimates has been based on the following base assumptions:

- Pressures and grant fall out:- The former have as far as possible been absorbed by Directorates and the latter has likewise as far as possible been matched by corresponding expenditure reductions forecasted in the Medium Term Financial Strategy (MTFS).
- Interest and inflation assumptions:- A prudent view of interest rates and inflation has been taken in constructing estimates for 2016/17. Whilst these estimates are considered to be adequate at this point in time the uncertainty within the economy may lead to further revision.
- Council Tax income assumptions:- The estimates for the Council Tax are based on a collection rate of 96.89% including that to be collected under the Council Tax Reduction Scheme. The position will be monitored during the year but the amount could vary for matters outside the control of the Council.
- A best estimate of the amount of income to be collected from National Non Domestic Rates with adjustment for the level of appeals expected. This could lead to the amount estimated for collection changing from this point in time.

3.5 In order to secure a balanced budget year on year it is essential that the base estimates are built on by:

- All budget changes agreed by the Council being actioned to deliver the estimated savings, or alternatives found to the same net value, by the relevant responsible officers

- Monthly monitoring of all budgets and reporting on an exceptions basis through the Director of Finance to the Executive Management Team (EMT) and Cabinet
- Action being taken to address future forecast budget shortfalls in advance of the forthcoming financial years. In respect of this the Council's recent and on-going preparation of a two year budget is an example of enhanced good practice

4. Prudence and Affordability

- 4.1 The current prudential borrowing regime places a duty on the Chief Financial Officer to ensure that the financial impact of decisions to incur additional borrowing over and above that supported by direct Government resources are affordable both in the immediate and over the longer term.
- 4.2 However given the changes in Local Government finance introduced in 2006/07 there is no longer any direct relationship between supported borrowing and the revenue support to finance it. Consideration of all new capital schemes and their revenue impact is therefore undertaken alongside other revenue issues to ensure that resources are allocated appropriately and are affordable.
- 4.3 The impact of the Council's current investment plans detailed in the capital programme which is set out elsewhere on this agenda, are planned to be financed as far as appropriate by utilising capital grant and capital receipts with the balance being funded through Prudential Borrowing. Related capital financing charges are included in the revenue estimates, with future years being estimated in the MTFs.
- 4.4 Given the scope of the current investment programme and the challenging financial circumstances, Council has ensured that there is sufficient revenue budget to meet the capital commitments and it is essential that this remains so going forward. Subject to that, the capital estimates are considered prudent and affordable while supporting the aspirations and ambition of the Council

5.0. "Striking a balance" and other reports on Financial Resilience

- 5.1 On 6 December 2012 the Audit Commission produced a report into their research on the level of reserves held by Councils. The report recognised that there is no set formula for deciding what level of reserves is appropriate. It stated that having the right level of reserves was important and where reserves were low there could be very little resilience to financial shocks and sustained financial challenges. It also stated that where reserves are high, there is a risk that some Councils may retain certain reserves which could be utilised as a one-off to support the challenging savings targets required.
- 5.2 It was recognised there are significant financial challenges facing Councils going forward with reductions in government funding, the retention of

business rates and increased reliance on Council Tax rather than direct grant to finance services. The effect of these is to increase the financial challenges facing Councils going forward.

5.3 One conclusion from this report was that Councils needed to consider their present decision making around reserves in a number of areas:

- Undertaking an annual review to ensure reserves align with medium term financial plans.
- Clarity about what earmarked reserves are for.
- Ensuring earmarked reserves held to mitigate financial risk reflect an up to-date assessment of risk.
- The advice of the Director of Finance to Members on the level of reserves to be held includes a summary of the issues to be considered.
- Monitoring the level and use of reserves over recent years, and comparing the Council's approach to other organisations facing similar circumstances.
- Budget monitoring and forecasting to give elected Members greater awareness of likely year-end movements on reserves.
- Significant or unexpected variations to budget are dealt with.

5.4 To progress this issue in more detail, the matter has been reported to the Audit Committee with the submission of a detailed report from the Director of Finance on the key questions in Striking the Balance which were considered to support its role in scrutinising the Statement of Final Accounts as part of its financial governance role. It is proposed to submit a further report in 2016 to enable continuous independent review of earmarked reserves to be undertaken over a regular period by the Council. In the financial year 2015/16 the Director of Finance also developed a Reserves Policy to align the Earmarked Reserves with the Corporate Objectives of the Council.

5.5 There have been other reports produced which have reviewed the financial resilience of Local Authorities. The conclusion has been that the majority of Local Authorities have coped well with the continual reductions in central support but a minority are experiencing financial stress which has been reported in the press. These reports also highlight that the overall future financial environment is going to be very challenging and they expect an increased number of Authorities to experience financial stress. These are expected to get even more challenging in 2017/18 and future years for the majority of Councils.

6.0 Budget Recommendations

6.1 The robustness of the estimates and the adequacy of the reserves are satisfactory. However this is only the case provided that action is taken to ensure that the balances are set at the level of £18,557k as calculated in this report and that that all budget options, or in year alternatives, are delivered as planned and monitored.

7.0 Consultation

- 7.1 The professional opinion of the Director of Finance on the overall adequacy of the total level of reserves is integral to the sign off of the overall agreed budget. It is seen as a key factor in why Local Authorities have been able to manage significant reductions in budget whilst remaining financially resilient.
- 7.2 The earmarked reserves as set aside by the Council at the year-end 2014/15 have been independently verified by the external auditor.
- 7.3 For the future it is important that the organisation undertakes an appropriate independent scrutiny of its reserves and it is proposed that the Audit Committee consider a detailed annual report in 2016 from the Director of Finance on the Audit Commission publication "Striking a Balance" reviewing the detailed questions it is recommended are considered by the organisation.
- 7.4 Cabinet reviewed the Statement of the Chief Financial Officer on reserves, robustness of the estimates and affordability and prudence of capital investments at its meeting on 11 February. It approved the report and commended the recommendations to Council.

8.0 Financial Implications

- 8.1 The review of reserves and provisions has identified that the Council will be required to maintain its level of general contingencies to support the 2016/17 balances requirement and identified areas of risk, in line with good practice and the duties of the Director of Finance.

9.0 Legal Services Comments

- 9.1 N/R

10.0 Co-Operative Agenda

- 10.1 The adequacy of reserves and balances enables the Council to support its aims and objectives and takes forward the cooperative ethos of the Council.

11.0 Human Resources Comments

- 11.1 N/R

12.0 Risk Assessments

- 12.1 There is a statutory requirement for the Director of Finance to calculate the balances required by the Council to support the annual budget. The methodology utilised as detailed in Appendix 1 and 2 of this report is to assess the required level on the basis of risk.

13.0 IT Implications

13.1 N/R

14.0 Property Implications

14.1 N/R

15.0 Procurement Implications

15.1 N/R

16.0 Environmental and Health & Safety Implications

16.1 N/R

17.0 Equality, community cohesion and crime implications

17.1 N/R

18.0 Equality Impact Assessment Completed?

18.1 N/R

19.0 Key Decision

19.1 Yes

20.1 Forward Plan Reference

20.1 CFHR-20-15.

21.1 Background Papers

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:

Background papers are provided in Appendices 1, 2 and 3 of this report

Officer Name: Mark Stenson
Contact No: Extension 4783

22.0 Appendices

Appendix 1 General Balances Calculation
Appendix 2 Eleven Areas of Risk for Oldham Council
Appendix 3 Earmarked Reserves

General Balances Calculation

Appendix 1

Area of Risk	2016-17	Risk Factor	Value	2017-18	Risk Factor	Value	2018-19	Risk Factor	Value
	Budget			Budget			Budget		
	£000		£000	£000		£000	£000		£000
Inflation									
Salaries including pensions	80,000	0.75%	600	75,000	1.00%	750	70,000	1.00%	700
Premises	8,000	0.50%	40	7,500	1.00%	75	8,610	1.00%	86
Transport	6,000	0.50%	30	5,500	0.50%	28	5,997	0.50%	30
Supplies	40,000	0.50%	200	40,000	0.50%	200	49,128	0.50%	246
PFI	19,000	0.50%	95	19,000	0.50%	95	19,092	0.50%	95
Other	Quantum		100	Quantum		150	Quantum		150
			1,065			1,298			1,307
Interest Rates									
Changes in rates	Quantum		500	Quantum		500	Quantum		500
			500			500			500
Grants									
Revenue Support Grant (RSG)	40,543	0.50%	203	30,428	0.50%	152	23,600	0.50%	118
H. Benefit/ Council Tax Support	1,386	1.00%	14	1,082	2.00%	22	659	3.00%	20
New Homes Bonus	2,767	5.00%	138	2700	7.50%	202	2,400	7.50%	180
Business Rates Top Up	30,237	1.00%	302	30,832	1.00%	308	31,741	1.00%	317
Business Rates Retained	28,360	1.00%	283	29,868	1.50%	448	29,868	2.00%	597
Public Health	17,775	0.450%	80	17,337	0.46%	80	16,000	0.50%	80
Better care Fund/ NHS reform	9,895	7.65 %	757	9,895	1.76%	174	9,895	1.76%	174
PFI Credits	32,068	2.50%	801	32,068	2.50%	801	32,068	2.50%	801

Education Support Grant	2,505	1.10%	28	2,334	2.20%	52	1,700	4.20%	71
			2,606			2,239			2,358
Estimated Budgets									
Academies Loss	Quantum		1,000	Quantum		500	Quantum		500
Carbon Emissions	Quantum		25	Quantum		25	Quantum		25
			1,025			525			525
Volume Changes									
Adult Services	Quantum		750	Quantum		500	Quantum		500
Unity	Quantum		100	Quantum		100	Quantum		100
			850			600			600
Budget Savings									
2016/17	16,044	25.00%	4,011	16,044	2.00%	321	16,044	1.00%	160
2017/18	0	0.00%	0	20,464	24.73%	5,060	20,464	1.98%	405
2018/19	0	0.00%	0	0	0.00%	0	16,700	25.08%	4,188
			4,011			5,381			4,753
Insurance									
Medical	Quantum		200	Quantum		200	Quantum		200
			200			200			200
Emergency Planning									
ICT disaster	Quantum		500	Quantum		500	Quantum		500
Winter Weather	Quantum		400	Quantum		400	Quantum		400
Flooding	Quantum		150	Quantum		150	Quantum		150
Offices	Quantum		200	Quantum		200	Quantum		200
Emergency Planning	Quantum		400	Quantum		400	Quantum		400
Unforeseen disaster	Quantum		400	Quantum		400	Quantum		400
			2,050			2,050			2,050
Changes									
Debt Collection	Quantum		100	Quantum		100	Quantum		100

NNDR Appeals	Quantum		1,500	Quantum		750	Quantum		750
Introduction of Universal Credit	Quantum		250	Quantum		250	Quantum		250
			1,850			1,100			1,100
Financial Guarantees									
Contractual Disputes	Quantum		1,000	Quantum		1,000	Quantum		1,000
Capital Programme	Quantum		1,000	Quantum		1,000	Quantum		1,000
Preceptors re levies	Quantum		400	Quantum		500	Quantum		750
Pensions	Quantum		500	Quantum		500	Quantum		500
Devolution	Quantum		250	Quantum		250	Quantum		250
Grant Claw back	Quantum		250	Quantum		250	Quantum		250
			3,400			3,500			3,750
Other									
General	Quantum		1,000	Quantum		1,000	Quantum		1,000
			1,000			1,000			1,000
TOTAL			18,557			18,393			18,143

Number	Area of Risk	Analysis of Risk
1	Inflation is underestimated in the original agreed estimates	<p>There are two issues. Firstly, there may be some items of expenditure-fuel costs for example-where any estimate of inflation is a “best guess “and the future market rate is difficult to predict given price volatility. The risk assessment puts a figure to the higher level of inflation that would seem to be unreasonable to include in a budget, but might come to pass. Secondly, information is less accurate for years 2 and 3</p> <p>At the present time the level of inflation for the past financial years has been certain for areas such as salaries with minimal wage increases. Certain other costs have increased at a higher rate than estimated. Going forward into the next three financial years the inflationary pressures are very difficult to estimate and the dynamics may change with increased pressure on wage costs as against commodities such as fuel. The calculation of a recommended balance reflects this.</p>
2	Interest rates are underestimated	<p>This is similar to 1 above, but for a specific area of risk.</p> <p>Interest rates at the present levels for borrowing money are at a very low level. The general predictions are that increases may take place at a point in 2016/17. Allowing for borrowing profiles, the 2016/17 budgets have been prepared on the present levels of interest paid by the Council. A small change in the interest rates could have a significant impact on the Council’s budget in respect of the amount paid. Predictions of when accurate interest rate rises will occur have proved to be challenging for a number of years and continue to be volatile.</p> <p>In respect of the return achieved by the Council on money it has placed on the money market then the return as budgeted for is at a historically low level. There is also an added pressure that safe havens for the Council to</p>

		<p>invest surplus cash have reduced in past years.</p> <p>There is the specific risk to consider here of the continued volatile banking market and the consequential risk to Councils of the security of their investments</p>
3	Changes to grant funding regimes	<p>The Government system for allocating grants can appear short-term and a “best guess” has to be offered in lieu of hard facts. Currently there are a number of issues with the general regime:</p> <ul style="list-style-type: none"> • The Provisional Local Government Finance Settlement, implementing the policies outlined in the Spending Review and Autumn Statement and Chancellors Budget has given indicative grant funding levels for the four years to 2019/20. These all outline a fall in government spending and an overall continual reduction in general and specific grant funding to the Council. The information however provides certainty for 2016/17 only. • Changes to the present housing benefit regime include the continual introduction of the Universal Credit. • The continuing transfer of certain responsibilities to local authorities currently provided for by the health service. • Potential changes to specific grant funding which is being absorbed in revenue support grant after a number of financial years. <p>There are also issues for the Council highlighted in its final accounts as contingent liabilities around potential grant claw back on specific projects as detailed in the contingent liabilities section of the audited final accounts.</p>
4	Some budgets are only indicative at the time the budget is agreed	<p>There are some initiatives that are known will happen, but are not sufficiently advanced to accurately cost.</p> <p>The impact of the current trend where a number of schools currently administered by the Council who may wish to become an independent Academy is unknown and the impact this has on previously notified grant</p>

		funding.
5	Volatility in some budget headings between years	<p>There are long standing areas of risk where the Council budget for the middle of the range, but might find the out-turn for a year at the higher end.</p> <p>In respect of Adult Services there is a continuing risk with recent changes that the increase in unforeseen demand resulting in increased pressure and a overspend position.</p> <p>In respect of housing benefit on payments, there is a risk that changes to the system such as the introduction of Universal Credit leads to a claim for additional costs.</p>
6	Budget savings expected in the agreed budget are not achieved	<p>The budget includes an assumption that the Council will deliver ambitious savings; the risk is that they may be delivered at a slower rate.</p> <p>Based upon 2009/10 to 2015/16 experience the achievement of the budget savings programme in monetary terms has shown full achievement. In the next three to five financial years from 2016/17 there are further challenging budget savings required. These savings requirement mean it is prudent to retain some reserves should these targets not be achieved.</p>
7	Unforeseen Insurance Costs	<p>Acts of God can result in higher insurance traffic than had been anticipated.</p> <p>Oldham Council would seem to be appropriately covered on this aspect re the general assessment in that it has been based on a detailed yearly Actuarial Review. It also has included a reserve to meet the costs of MMI claims should the Scheme of Arrangement be activated. The assessment</p>

		<p>of the Council that the scheme would be activated proved to be accurate and sensible prudent accounting has negated any financial impact from the initial levy. The matter will now be subject to continual review.</p> <p>The uncertainty going forward is associated with the current economic climate and adverse weather conditions, which it is anticipated, will increase the number of claims made against the Council. On the present Insurance arrangements however the value of claims is individually capped at £52,500 for liability claims and £100,000 for premises.</p> <p>With the transfer of Public Health functions a new risk now exists to the Council around whether insurance cover can be obtained from the present insurance arrangements in respect of medical malpractice.</p>
8	Emergencies which can be foreseen which can occur on an ad hoc basis	<p>Were disasters to occur, the Council needs to have a reserve in place to pick up costs that will fall on the Council. A disaster such as one involving ICT could occur on a one-off basis.</p> <p>The Council area does also cover higher grounds including Saddleworth, which if weather conditions are extreme can lead to additional unbudgeted costs such as snow clearance in winter.</p> <p>There was also an incident in the Borough in 2012-13 that highlighted the need for the Council to maintain financial flexibility within its general balances.</p>
9	Changes to budgets where targets are not met.	<p>Change necessarily means doing things in a way for which we have no evidence. The assumptions made maybe wrong.</p> <p>This is the most difficult area to predict but there will be unforeseen costs which are not foreseen when the budget is prepared.</p>

		It is also anticipated that Housing Benefit changes will increase the financial risks of the Council. The impact of the transfer of Business Rates is also becoming apparent with a high risk that this element of the Collection Fund could report a deficit.
10	Financial and Partnership guarantees given by the Council	<p>There are a number of obligations and risks to the Council around its financial guarantees which have been given to a wide variety of organisations and projects:</p> <ul style="list-style-type: none"> • In a complex organisation there are contractual disputes for claims against the Council. • The Council has an ambitious capital programme that could result in future budgetary pressures of a revenue manner if all schemes do not progress. • There is a desire from contributing Districts to keep levy increases as low as possible. This will increase the financial stress on these organisations and ultimately it is the Districts who would assist if there is a shortfall. • In respect of staff previously employed by the Council but transferred to other organisations the Council has agreed to underwrite the pension costs. • Grant clawback could occur whereby the Council is the accountable body for a grant.
11	Unforeseen Events	This covers matters not considered in 1-10 but it is considered prudent to hold an amount in the General Balances.

Earmarked Reserves as at 31/03/2015

Appendix 3

Earmarked Reserve	Balance £000	Assessment of Current Risk
PFI BSF (Sinking Fund)	3,209	This reserve is required to equalise out between years the costs estimated to be incurred by the Council on the School PFI contracts already let. It is anticipated that over the next few years the money set aside in this Reserve will increase to offset the increases in the Unitary Charge on the project to the revenue account in the later financial years of the PFI contract. The grant to support the PFI remains static and maybe subject to future government reductions (via austerity measures) throughout the period of the scheme whilst costs increase. As more schools become Academies this reserve will also be required to manage the costs of the Council during the transition process.
Individual School Balances	6,738	This earmarked reserve consists of the individual school balances as at 31/03/2015 held by schools under their delegated budgets.
Insurance Reserve	12,968	<p>This includes:</p> <ul style="list-style-type: none"> • Any claims made prior to 1974 when the external insurance arrangements of the Council are not clear and the assumption is that the Council will bear the full cost of any claim made. • Claims relating to asbestos related matters which are not covered by external insurance premiums. These claims are expected to reach their peak in the next ten years. • Derelict buildings classed as heritage buildings where the Council's Insurers will only provide insurance cover on a debris only basis. Should there be a fire then it is possible the Council will have to replace at full cost without insurance cover in place. • Other claims against the Council not covered by the terms and conditions of the Insurance Policy. A recent trend has been for insurance companies to get more challenging around whether coverage is in place.

		The amount to include in the Insurance Reserve at the year-end is calculated via an Actuarial report which is currently being produced for the end of the financial year 2015/16. The amount could increase or decrease at the year-end as reported dependent upon the output of this Actuarial Review.
Budget Reserve	3,560	This reserve has been set aside to support the delivery of a balanced budget. Each financial year there are some challenging options and the availability of the budget reserve will support the delivery of a balanced budget throughout the financial year.
Special Projects Reserve	5,453	This reserve has been set aside to support key projects within the Council which includes: <ul style="list-style-type: none"> • Hotel Futures • Town Centre Investment Strategy • Invest to Save • Replacement of Equipment • Old Town Hall.
Levy Reserve	2,643	The two levying authorities have for 2016/17 set a budget which requires them to use earmarked reserves to underpin their on-going expenditure. It is therefore envisaged that future levy increases after this date could be in excess of normal inflation as these bodies utilise their reserves to minimise levy increases. This reserve has been set aside to smooth the impact of future levy increases on the Council budget.
Adverse Weather Reserve	1,643	This reserve is set aside to support unplanned expenditure as a result of an unforeseen weather event such as flooding or severe winter weather when the base budget provision is not adequate to meet the costs incurred within the financial year. As seen in recent events within the North West area the damage caused by severe weather can be considerable.

Children's Reserve	2,000	This reserve was set up so the Council could respond quickly to a serious incident in an appropriate manner within Children Services. The money was set aside in recognition of the risks in reducing the Council's capacity to respond in an extreme case.
District Partnerships Reserve	882	This money will be utilised in 2015/16 to support projects already agreed and recommended by District Partnerships for financial support in prior years.
Efficiency Reserve	6,000	This money has been set aside to provide for exceptional staffing related costs associated with the implementation of the Council's budget requirements in 2015/16 and future years.
Future Liabilities Reserve	3,844	This reserve has been set up to cover the costs of expected liabilities to prevent an unbudgeted charge to the Council's revenue account in a financial year.
Corporate Strategy Reserve	26,415	<p>This is an amount of money set aside to meet strategic priorities including the capital programme, demand changes, commissioning and legal challenges and devolution. Resources for such issues would previously have been provided via the Local Government Finance Settlement. As evidenced elsewhere, such support is reducing year on year.</p> <p>It is undoubtedly the case that there will be a strong argument to increase this reserve rather than reduce it in future years because of the financial risk that is being passed to the Council from changes in central government financial support.</p>
Revenue Grants Reserve	6,913	This is a technical reserve created under the accounting requirements of International Financial Reporting Standards. It relates to grants received often in relation to education services which are paid over to the Council in the

		financial year but with grant conditions giving the flexibility for the expenditure to be incurred by the end of the Academic Year. Previously these grants would have been classed as receipts in advance in the final accounts. The money must be spent in accordance with the specific grant conditions.
PFI Reserve	6,770	This reserve is required to equalise out between years the costs estimated to be incurred by the Council on the non BSF PFI and LIFT contracts already let. It is anticipated that over the next few years the money set aside in this Reserve will increase to offset the increases in the Unitary Charge on the project to the revenue account in the later financial years of the PFI contract. The grant to support the PFI remains static throughout the period of the scheme whilst costs increase but are felt to be at risk of reduction from future government austerity measures.
Fiscal Mitigation Reserve	1,962	The financial environment in which the Council operates has changed from 1 st April 2013. Instead of having certainty around the amount of income it will receive in relation to Business Rates the risk of underperformance and business rate appeals will be shared with the Department of Communities and Local Government. Should there be less income collected than previously estimated then a proportion of the loss falls on the Council and will impact on the overall amount of resources available for future budgets. It is also the case that the cost of change will be considerable given the budget reductions required from the Council in the next three years. This reserve reduces the risk to the Council of reducing resources due to external matters outside its control and will finance some of the costs of change the Council is likely to face.
Business Units	756	In 2012/13 the Council agreed to the creation of a number of Business Units. This reserve is the amount of agreed carry forwards as specified under their Financial Procedure Rules for efficiencies generated in that financial year.
Taxation	603	There is from time to time unforeseen tax liabilities to the Council imposed

		from the audits undertaken by HMRC. This reserve has been set aside to meet these unforeseen costs.
Directorate	6,338	This is a reserve created following discussions within the Council whereby requests from services to finance future expenditure on key Council priorities have been agreed.

Report to Council

Budget Report 2016/17

Portfolio Holder: Councillor Abdul Jabbar – Finance & HR

Officer Contact: Anne Ryans, Director of Finance

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

24 February 2016

Reason for Decision

This report presents to Council the current Administration budget and budget proposals for 2016/17 having regard to the impact of the Local Government Finance Settlement (LGFS) and other financial issues. The report also sets out the current position in relation to the budget for 2017/18.

Executive Summary

Members will recall that reports were presented to Council in November and December 2015 outlining progress towards addressing the 2016/17 budget gap. Council subsequently approved budget reduction proposals of £5.974m on 4 November 2015 and a further £4.993m on 16 December 2015. Therefore, a total of £10.967m of proposals have already been agreed towards bridging the revised 2016/17 budget gap of £18.194m.

This report presents to Council, the updated budget position after the receipt of the LGFS and also the final tranches of the Administration's detailed proposals.

This report also includes budget reduction proposals from Tranche 1 (£1.193m) and Tranche 2 (£1.244m) that could not be approved at Council on 4 November or 16 December as consultation processes had not concluded. As consultation processes have now progressed for these proposals, these are now being presented for approval having regard to changes that have now been made to the proposals arising from the consultation process.

Budget setting for 2016/17 and 2017/18 has operated in the context of on-going economic, demographic and policy challenges at both a local and national level. At a local level, budget proposals are framed by the Council's ambitions for a cooperative future. At a national level, the Government is still striving to reduce the national deficit and part of its strategy is to

continue to reduce public sector funding, particularly that for Local Government for a minimum of the next four financial years.

The Summer Budget Announcement on 8 July 2015 confirmed that £20 billion of additional public sector spending reductions would be required in this Parliament. The Summer Budget did not quantify the detailed impact of the reductions for Local Government but the Government initiated a Spending Review (SR) to consider Government policy and related spending issues over the period to 2020.

The SR was amalgamated with the Autumn Statement and was announced by the Chancellor on 25 November 2015. The impact of the SR was wide-ranging but did not detail implications for Oldham. Some proposed changes will not be introduced until 2017 or later and will be the subject of future consultation.

The SR included some new issues not previously anticipated and the Chancellor was assisted by the availability of some £27 billion of previously unanticipated income which has been used to reduce the severity of the overall package of measures to address the austerity agenda. However, it set out some fundamental changes to Local Government and its future financial arrangements including the:

- Ability of Local Authorities to retain 100% of their Business Rates and the assignment of yet to be notified additional responsibilities
- Discontinuing of Revenue Support Grant (RSG), the main unringfenced grant received by Councils
- Ability to levy up to a 2% Council Tax precept ringfenced to Adult Social Care
- Expectation that Health and Social Care will integrate
- Government's aim of ending Local Authorities' role in running schools with all schools becoming an academy.

The 2016/17 Local Government Finance Settlement was announced on 8 February 2016 and confirmed the grant funding allocations announced as part of the Provisional Local Government Finance Settlement which was received on 17 December. This allowed the budget projections to be updated with actual Government grant notifications rather than assumptions. Although all levies have now been confirmed, there is still some outstanding grant information but no significant changes are now expected and the budget exercise can be completed. The Local Government Finance Settlement confirmation from the DCLG is presented at Appendix 12.

Clearly, the planning assumptions have been revised in the light of the LGFS which included funding figures for 4 years rather than the one year that had been anticipated. Council Tax Freeze Grant has been removed; grants have been rolled into RSG and more favourable funding allocations given to Councils with a low Council Tax Base and Adult Social Care and Children's Services responsibilities. It introduced new concepts of spending including the Core Spending Power (CSP) and has contrasted resources available to each Local Authority on this basis. CSP assumes all Councils will increase Council Tax by 1.75% and that a 2% Council Tax Social Care precept will be charged to support increased costs of Adult Social Care. On this basis, the Council has changed its Council Tax assumptions to increase Council Tax for general purposes by 1.70% (slightly below that expected by Central Government) and introduce the 2% Adult Social Care Precept. This will not trigger a Council Tax referendum.

The expected Council Tax levels for 2016/17 having regard to the proposed Council increase, together with the confirmed position for the Police and Crime Commissioner for Greater Manchester, the Greater Manchester Fire and Rescue Authority and the Parish Councils for Saddleworth and Shaw & Crompton are set out in section 12 of the report and Appendix 10.

Taking revised funding assumptions and revisions to Council estimates of existing budget resilience issues into account; it has increased net resources available by £5.093m. There is therefore no longer the requirement to address the £1.955m remaining budget reduction target for which no proposals had been prepared in anticipation of the outcome of the LGFS and the Council is able to address budget resilience issues totalling £3.138m which previously had no permanent solution but had not been included in budget estimates.

All budget reduction proposals included within this report were presented for scrutiny at the Overview and Scrutiny Performance and Value for Money (PVFM) Select Committee on 21 January 2016. Each of the proposals was examined in detail with questions and comments being put forward by Committee Members. As a consequence, the Select Committee was content to commend all for consideration by Cabinet, as follows:

- outstanding Tranche 1 pro-forma budget reduction proposals together with Equality Impact Assessment (EIAs) documents as necessary in the sum of £1.193m for 2016/17 (Appendices 1 and 2)
- outstanding Tranche 2 pro forma budget reduction proposals together with EIA documents as necessary in the sum of £1.244m for 2016/17 (Appendices 3 and 4)
- Tranche 3 proposals presented to Cabinet for the first time in the sum of £2.560m with an FTE impact of 5 together with proposal B003b with a FTE impact of 3 which was taken back to Cabinet for further consideration (a total of £2.640m) (Appendices 5 and 6).

On 11 February 2016 Cabinet considered and approved the outstanding Tranche 1 and 2 budget reduction proposals and the Tranche 3 proposals at a total of £5.077m.

All proposals have been the subject of a S188 notice issued to recognised Trades Unions (Tranche 1 on 16 September, Tranche 2 on the 5 October and Tranche 3 on 16 November). All proposals have been presented in accordance with the budget protocol which has been to examine options for reductions via a Directorate approach as follows:

- Health and Wellbeing
- Cooperatives and Neighbourhoods
- Economy and Skills
- Corporate and Commercial
- Chief Executive and Policy and Governance

If all these remaining budget proposals are approved, then the budget can be balanced.

It should be noted that although there is no change to budget reduction proposals, the reports presented to the PVFM Select Committee and Cabinet were based on information available prior to the receipt of the Final Local Government Finance Settlement and some grant notifications.

Also included at Appendix 13 of the report is the proposed Fees and Charges schedule for 2016/17 which is a key element of the budget process.

The finalised 2016/17 position also informs the projected budget position for 2017/18 for which the current remaining budget reduction requirement is £20.464m.

Members will recall that the Council is part of a GM Councils & Cheshire East business rates pool in 2015/16. The Council had the opportunity to potentially join with other Councils to form a business rates pool for 2016/17. The viability of such a proposal could not be known until

after the announcement of the LGFS. In order to comply with the timelines, delegation for decision making was approved by Cabinet on 30 November 2015. A delegated decision was made on 11 January 2016 and the Council will therefore be part of the GM Councils, Cheshire East & Cheshire West and Chester business rates pool for 2016/17.

As a consequence of the 2015/16 business rates pool, in March 2015 Government announced a pilot scheme whereby the GM & Cheshire East pool could retain 100% of business rates growth subject to certain criteria. There are no downside risks to this pilot scheme but details of the allocation of any additional incentive to those in the pool are yet to be agreed. Cabinet of 30 November 2015 endorsed the pilot scheme approach and approved the delegation of decision making for the agreement of the income share. This pilot arrangement will be applied to the 2016/17 business rates pool.

Included at Appendix 14 is the Pay Policy Statement. This Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 to 43 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees.

Recommendations

It is recommended that Council approves the:

- a) Revised budget position for 2016/17 having regard to the Local Government Finance Settlement.
- b) Net revenue budget for 2016/17 for the Council set at £190.653m.
- c) A Council Tax increase of a total of 3.70% resulting in charges as set out in Appendix 10.
- d) Total draw on the Collection Fund for major preceptors of £90.344m for Borough Wide services and £78.588m for Council services.
- e) Remaining Tranche 1 budget reduction proposals now that all public consultation stages have been completed (presented in summary at Appendix 1 and in detail at Appendix 2) in the sum of £1.193m.
- f) Remaining Tranche 2 budget reduction proposals now that all consultation stages have been completed (presented in summary at Appendix 3 and in detail at Appendix 4) in the sum of £1.244m.
- g) Tranche 3 budget reduction proposals (presented in summary at Appendix 5 and in detail at Appendix 6) in the sum of £2.640m.
- h) Information contained within the Equality Impact Assessments also included in Appendices 2, 4 and 6 supporting Tranches 1, 2 and 3.
- i) The revised budget reduction target for 2017/18 of £20.464m.
- j) Fees and Charges schedules at Appendix 13.
- k) Pay Policy Statement at Appendix 14.

That Council Notes;

- 1 There is no requirement to hold a referendum on the change in the Relevant Basic Amount of Council Tax.
- 2 The budget reduction target for 2017/18 may need to change as a result of developments during 2016/17.

Budget Proposals 2016/17 & 2017/18

1 Background

- 1.1 Members will recall that the Council's approach to budget setting has been to consider the financial challenge it is facing over a two year timeframe. In this regard, the financial strategy that has been agreed is to prepare a budget that addresses the estimated gap for the two year period 2016/17 and 2017/18 within the overall Medium Term Financial Strategy (MTFS) five year timeframe. As would be expected the emphasis of the budget process has been to prepare proposals to address the budget reduction target for 2016/17 in full detail. The estimated budget gap reported to and approved by Cabinet on 19 October 2015 and Council on 4 November 2015 was £18.194m. This had been revised downward from the previous reported gap of £29.489m.
- 1.2 The budget report approved in February 2015, included budget reductions that not only balanced the 2015/16 budget but also had implications for 2016/17 with a net impact of £9.398m. These 2016/17 implications were noted by Council but established the starting position for the current budget process of identifying required reductions. In line with practice in previous years, the Administration has considered budget proposals in Tranches. Tranche 1 proposals were considered by Members at the PVFM Select Committee meeting on 24 September 2015, with a total of £9.353m recommended to and subsequently approved at Cabinet on 19 October 2015. These were reported to Council at its meeting on 4 November 2015 where £5.974m of budget reductions were approved and, as consultation had not concluded on eight proposals totalling £3.379m, these items were noted.
- 1.3 Tranche 2 proposals were considered by Members at the PVFM Select Committee on 3 November 2015, with a total of £4.051m recommended to and subsequently approved at Cabinet on 30 November 2015. These were reported to Council at its meeting on 16 December 2015 where £2.957m of the Tranche 2 proposals were approved and, as consultation had not concluded on four proposals totalling £1.094m, these items were noted. Five of the eight proposals deferred from Tranche 1 totalling £2.036m were also approved at the 16 December 2015 Council meeting as consultation had then completed. In total, £4.993m of budget reduction proposals were approved at the 16 December Council meeting.
- 1.4 This report presents for consideration and approval the Tranche 3 budget reduction proposals totalling £2.640m (summarised at Appendix 5 and in detail at Appendix 6) together with the Tranche 1 and Tranche 2 proposals that have yet to be approved. Tranche 1 proposal E007 (Workforce Redesign) at a value of £0.150m has been reviewed and amalgamated with the Tranche 2 proposal E012 (Local Area Co-ordination) at a value of £0.674m. This revised proposal (E012a) is within Tranche 2 at a combined total of £0.824m. Taking these amendments into account, therefore two deferred Tranche 1 proposals are now presented for further consideration and approval at a value of £1.193m, together with four Tranche 2 proposals at a value of £1.244m.
- 1.5 As such it is Tranche 3 proposals with a value of £2.640m, together with deferred Tranche 1 and Tranche 2 proposals with a value of £2.437m (summarised at Appendices 1 and 3 and in detail at Appendices 2 and 4) that are being specifically presented to Council for approval. If approved, these budget reductions, together with those already approved, address £16.044m of the budget reduction target. When the

£0.195m use of reserves is considered, it left £1.955m still to be found when compared to the £18.194m target. It was agreed that no proposals to address this £1.955m gap would be prepared until Government grant funding announcement in the form of the Provisional Local Government Finance Settlement had been received.

- 1.6 The report therefore presents the updated budget for 2016/17 and 2017/18 having regard to the LGFS received on 8 February 2016, the £10.967m Administration budget reduction proposals for 2016/17 that have already been approved and the £5.077m proposals now presented for consideration and approval.
- 1.7 All proposals included within this report were presented for scrutiny at the Overview and Scrutiny Performance and Value for Money (PVFM) Select Committee on 21 January 2016. Each of the proposals was examined in detail with questions and comments being put forward by Committee Members. As a consequence, the Select Committee was content to commend all for consideration by Cabinet. On 11 February 2016 Cabinet subsequently approved all the budget reduction proposals and commended them to Council.
- 1.8 All the proposals build upon the work that has been undertaken in previous financial years to address budget challenges. The budget process ensures that over the period to March 2018 there will be a firm financial base which will enable further service transformation to be delivered, providing budget reductions through improved processes and a continued long term efficiency programme. It will continue to provide the framework for enhancing relationships with citizens and partners supporting the agenda of a Cooperative Council.
- 1.9 It is important to note that the budget processes for 2016/17 and 2017/18 have to be considered within the context of significant on-going economic and policy changes at both a national and regional level which have influenced the LGFS. The Summer Budget Announcement on 8 July 2015 confirmed that £20 billion of additional public sector spending reductions would be required over the life of this Parliament. The Summer Budget did not quantify the detailed impact of the reductions to Local Government but the Government initiated a Spending Review (SR) to consider Government policy and related spending issues over the period to 2020.
- 1.10 The SR was amalgamated with the Autumn Statement and was announced by the Chancellor on 25 November 2015. The impact of the SR was wide ranging but at the time of the announcement it was not possible to assess the financial implications as the document contained high level information and no detail. It was only when the Provisional LGFS was released on 17 December 2015 that the precise implications for 2016/17 could be understood.
- 1.11 The SR included some new issues not previously anticipated and the Chancellor was assisted by the availability of some £27 billion of previously unanticipated income which has been used to reduce the severity of the overall package of measures to address the austerity agenda. However, it set out some fundamental changes to Local Government and its future financial arrangements including the:
- Ability of Local Authorities to retain 100% of their Business Rates and the assignment of yet to be notified additional responsibilities
 - Discontinuing of RSG, the main unringfenced grant received by Councils
 - Ability to levy up to a 2% Council Tax precept ringfenced to Adult Social Care
 - Expectation that Health and Social Care will integrate
 - Government's aim of ending Local Authorities' role in running schools with all schools becoming academies.

Some changes will not be introduced until 2017 or later and will be the subject of future consultation. Whilst some of the initiatives are likely to be phased in over time, it may take several years to see the full impact.

- 1.12 Of particular importance is the Greater Manchester (GM) devolution agenda, the development of which has continued at a pace since the two year budget for 2015/16 and 2016/17 was approved in February 2015. New services, including health and social care were included in the agreement and further responsibilities may transfer in response to the Governments Northern Powerhouse initiative. The SR document was comparatively silent on GM Devolution, however, it has already had a financial impact with the £300m GM Housing Fund becoming operational from the beginning of the financial year with £66.3m being committed to projects including £1.45m to construct twenty three-bed semi-detached homes at a development in Oldham. There is still much work to do to fully determine the financial impact for the Council arising from devolution and this will become more evident over time.
- 1.13 At a local level, the budget proposals have been framed by the Council's ambition for a cooperative future where everyone does their bit to create a confident and ambitious borough. There are three objectives that focus the activity of the Council in delivering this ambition. These are:
- **A productive place** to invest where business and enterprise thrive;
 - **Confident Communities** where everyone does their bit; and
 - **Co-operative Council** delivering good value services to support a co-operative borough

These objectives reflect the on-going commitment for the Council and its partners to work with the residents of Oldham to bring about positive change and provide strong leadership for the borough.

- 1.14 To assist with identification of the budget reductions required, targets were set for each of the Council's Directorates, with an Executive Director as the responsible lead for each area. The initial targets were allocated using an agreed calculation to ensure budget reductions would be identified proportionately across the Council's Service budgets. Using this approach has enabled the identification of the budget reduction proposals which have been presented for consideration and approval in three Tranches.
- 1.15 As advised previously, on 8 February 2016 the Government announced the Local Government Finance Settlement which confirmed the grant funding allocations announced as part of the Provisional Local Government Finance Settlement on 17 December 2015. The figures within this report reflect the updated information arising from the contents of the LGFS. Although reductions in Central Government funding have continued, the Government made some major changes to the way that resources are allocated. The Settlement on the whole has resulted in a more favourable financial position than had been anticipated as explained in section 6. The Greater Manchester Combined Authority (GMCA) has now confirmed its transport levy and non transport contributions for 2016/17. Levy figures for Greater Manchester Waste Disposal Authority (GMWDA), the Environment Agency as well as Precepts have also been confirmed. The LGFS, additional grant notifications and confirmed positions of the various levy and precepting bodies results in the budget reduction proposals contained within the report being sufficient to produce a balanced budget without the requirement to address the £1.955m previously anticipated gap.

1.16 The following table sets out the budget gap as approved by Cabinet on 19 October 2015 and Council on 4 November 2015. This is the starting point from which to consider developments arising from the LGFS.

Table 1 – 2016/17 and 2017/18 Revised Budget Gap (Approved November 2015)

Revised 2016/17 and 2017/18 Net Revenue Budget	2016/17 £m	2017/18 £m
Prior Year Net Revenue Budget	196.213	182.583
- In year adjustments to base budget	(0.218)	0
- Approved Revisions to base budget	(2.596)	0
- Adjustment to Base Budget for previous years use of reserves		0.195
Net Revenue Budget	193.399	182.778
Expenditure Pressures:		
- Pensions	0.263	1.474
- Pay Award	0.917	1.000
- Inflation	1.110	1.880
- Investment Fund	0.000	1.682
- Business Plan	1.005	0.500
- Levies	0.000	1.544
- Increase in NI Charges	2.100	0.065
- End of Change to Terms and Conditions	0.000	2.000
- Fair Employment Charter	0.600	1.030
- Demand Pressures OCS Pensions	0.200	0.000
- Unity - Achievement of Prior Year Budget Reductions	0.196	0.000
- Independent Living Fund (ILF)	0.987	0.000
Total Expenditure Pressures	7.378	11.175
Total Expenditure	200.777	193.953
Funded By:		
- Business Rates Top Up	30.587	31.198
- Revenue Support Grant	34.140	20.475
- Housing Benefit and Council Tax Administration Grant	1.378	1.241
- Council Tax Freeze Grant	0.926	0.000
- New Burdens - ILF Grant	2.013	1.799
- Central Education Service Grant	2.500	2.329
- New Homes Bonus	2.700	2.700
- Multiplier Cap/Settlement Funding Adjustment Grant	0.854	0.854
- Adults Social Care Grant	0.585	0.000
Total Government Grant Funding	75.683	60.596
- Retained Business Rates	29.980	29.980
- Council Tax Income	76.485	77.938
- Parish Precepts	0.239	0.239
- Collection Fund Surplus	0.196	0.000
Revised Budget Funding	182.583	168.753
Net Gap/Budget Reductions Requirement	18.194	25.200
Approved Use of Reserves	(0.195)	0.000
Budget Reductions to Find after Use of Reserves	17.999	25.200

2 Current National Position

- 2.1 Following the banking crisis of 2008, the country faced a severe economic challenge. The economy moved into recession, unemployment increased and this led to a need for long term restructuring of the economic base of the UK. The country only moved out of recession in quarter three of 2012 and economic growth is now increasing. The economy expanded by 0.5% in the three months to the end of December 2015, following growth of 0.4% between July and September, according to the Office for National Statistics (ONS). GDP growth for 2015 as a whole stood at 2.2%, which was weaker than the expansion of 2.9% in 2014 and the Office for Budget Responsibility's forecast of 2.4% in November 2015. This means significant financial challenges still remain which will impact on the Council.
- 2.2 When the Coalition Government came into power in 2010 it anticipated that it would have reduced the actual deficit to £37 billion by the end of the financial year 2014/15. In its successive financial assessments during the last Parliament this figure was consistently revised by the Coalition Government. This trend has continued as set out in the Summer Budget of the Conservative majority Government which was elected on 7 May 2015. The Government indicated that austerity measures would be required for a further four years with a potential proportionately higher impact on Local Authorities and public spending (such as welfare) than other areas of the public sector such as health. Some aspects of these reductions such as reducing working family tax credits proved to be controversial with a successful challenge in the House of Lords to measures agreed in the House of Commons. However, the SR indicated that the welfare reform related savings will be achieved but over a longer period of time and using a different approach than had initially been envisaged.
- 2.3 A key strand of the Government's strategy to reduce the national deficit remains to reduce public sector expenditure especially in unprotected areas such as Local Government. The impact of this was initially felt with the national announcement that the Public Health Grant has been reduced by £200m across all Local Authorities in 2015/16, the direct impact on Oldham being a loss of £1.057m. Further reductions in funding were confirmed in the SR but the detailed impact was not available until the receipt of the Provisional LGFS.
- 2.4 A further four financial years of funding reductions until 2019/20 will result in the austerity regime covering a total period of ten financial years. The impact of austerity and these spending reductions will mean a further reduction in Government grant funding for the Council. The withdrawal of Revenue Support Grant (RSG), the Councils' main unringfenced grant funding source, was confirmed in the SR. To illustrate the impact this will have on the Council and the services it can provide, RSG received by the Council in 2013/14 was £85m and with funding from this one grant expected to have disappeared by 2020/21, it will leave a considerable gap in financing. Although Government anticipates locally generated funding (Council Tax and Business Rates) should make good this shortfall, this will be challenging in Oldham given the comparatively low tax bases for both areas, unless there is some form of Government support. The consultation papers (when released) outlining the 100% Business Rates Retention scheme will be of significance for Oldham.
- 2.5 The Government set out its legislative programme in the Queen's Speech presented on 27 May 2015. This will result in further changes to the role of, and arrangements for Local Authorities. Key changes in the national policy and landscape are outlined below and include:

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- Welfare Reform and Work Bill - This Bill details the requirement for the Secretary of State to report on progress towards full employment and apprenticeships targets; the effect of support for troubled families; social mobility; the benefit cap; social security and tax credits; loans for mortgage interest and to social housing rents. The Bill is currently in the latter stages of the legislative process with the next meeting scheduled for late February 2016.
 - Enterprise Bill - This Bill will seek to reduce regulation on small businesses in a bid to boost job creation. The Bill will also create the Small Business Conciliation Service to help settle disputes between small and large businesses. In addition to this the government aims to improve the business rate system by 2017 and cap public sector redundancy payments.
 - Tax Lock Commitment - National Insurance Contributions/ Finance Act - This wide-ranging legislation is designed to implement a series of tax pledges made by the Conservatives during the general election campaign, specifically that there would be no rise in Income Tax rates, VAT or National Insurance before 2020. It will also raise the threshold before people pay Income Tax to £12,500. The Finance Act 2015 received Royal Assent on 18 November 2015 whilst the National Insurance Contributions (Rate Ceilings) Act 2015 received Royal Assent on 17 December 2015.
 - Childcare Bill - The Childcare Bill includes measures to help working people by increasing the provision of free childcare. This will increase the level of free childcare to parents to 30 hours a week for 38 weeks of the year. This was confirmed in the SR announcement.
 - Housing and Planning Bill - This Bill plans to support home ownership by extending the right to buy scheme for social housing tenants in England. There will also be help for first time buyers with 200,000 starter homes being made available at a 20% discount. This was confirmed in the SR announcement.
 - Energy Bill - Measures will be introduced to increase energy security and ensure there will be affordable and reliable energy for businesses and families. The Government proposes to establish the Oil and Gas Authority as an independent regulator and would transfer responsibility for giving consent for any offshore wind farms in England and Wales from Whitehall to local planning authorities.
 - Trade Union Bill - The main elements of the Bill are a 50% voting threshold for union strike ballot turnouts, and a requirement that 40% of those entitled to vote must back action in essential public services - health, education, fire and transport. There will also be the introduction of "a transparent opt-in process for the political fund element of trade union subscriptions".
 - Education and Adoption Bill - This Bill is designed to raise standards in schools. Under the plans, new powers would be brought forward to speed up the process of changing a failing school's leadership and turning it into an academy. The Bill will also give the Secretary of State for Education new powers to force local Councils to hand over their responsibilities for adoption to another authority or agency.

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- Cities and Local Government Devolution Act 2016 - This paves the way for powers over housing, transport, planning and policing to be devolved to England's cities as part of Government plans for "a balanced economic recovery". Cities that want them will be able to have elected mayors. Royal Assent was gained on 28 January 2016.

Each of these measures will have an impact on the Council which will have to be managed within the financial planning framework.

Government Policy Impact on Oldham

2.6 One of the most significant impacts on Oldham will come from the further welfare reforms that are planned. Although some proposals were challenged, the SR confirmed that welfare reforms will be implemented over the life of the Parliament. The latest available national and local research, data and information, suggests the estimated cumulative loss to Oldham through the initially proposed changes over the next 4 years is over £40m. If all are eventually fully implemented, the worst affected 2,000 families in the borough stand to lose more than £3,800 per year as a result of the reforms. Many people will be impacted by more than one change. It is therefore not possible to produce one single figure for the number of Oldham residents likely to be impacted. Indications are that:

- Over 10,000 residents are likely to be impacted by JSA (Jobseeker's Allowance), Universal Credit (UC) and ESA (Employment and Support Allowance) freezes.
- More than 31,000 households to be impacted by child benefit freezes.
- Approximately 23,000 households to be impacted by tax credit changes.
- Approximately 93,000 residents to be affected by changes to Income Tax and National Insurance.
- Over 2,800 residents to be affected by changes to the minimum wage.
- Approximately 8,700 residents to be affected by changes to housing benefit.

2.7 The Government also announced an increase to the National Minimum Wage to £7.20 per hour for those aged 25 and over, branded as a National Living Wage in the Summer budget. The Government's ambition is for this National Living Wage to increase to over £9 per hour by 2020. As the Council currently pays in accord with the higher National Living Wage as championed by the Living Wage Foundation, there is no immediate financial impact of this decision. To date the Foundation's National Living Wage rate, which is reviewed every November, has increased by proportions exceeding the Local Authority national pay awards. Accordingly, in delivering against its commitment to keep pace with the higher National Living Wage, the Council's established pay line and differentials between job roles of different value will come under direct pressure from April 2016, although resources have been included in the budget to address anticipated requirements. Modelling is therefore in progress to quantify the impact in order to inform the decision about future alignment with the Living Wage Foundation's National Living Wage and, if appropriate, the methodology by which this would be achieved.

2.8 It is the practice of the Living Wage Foundation to notify increases each year rather than give future projected changes and Members will also be given the opportunity to consider optional strategic forecasting and models, up to 2020, to assess the potential impact of long term alignment with the National Living Wage. In addition, there is a need to take into account the issue of schools and Oldham Trading Group alignment with Council pay rates, where we remain the employer and there will be Legal Services input to the work which addresses this.

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- 2.9 Work has already taken place to assess the impact of the Government's plans for the National Minimum Wage on Council budgets in the longer term, specifically in relation to social care provision. Although less critical to suppliers of technical and professional services, it remains essential to monitor the impact of the National Minimum Wage rate on both Council budgets and small businesses in the borough and the potential for small firms to be driven out of business by having to pay the higher costs. Furthermore, the difficulties for at least some suppliers and local businesses to afford the higher still National Living Wage rate represents a very real challenge to the Council's commitment to Fair Employment and, within this, to improve the terms and conditions of employment of residents and employees across the Oldham Borough. It is worth noting in this regard that Oldham has the highest number of jobs (21,000) paid below the living wage than any other GM borough. This is equivalent to 33.7% of all local jobs in the annual wage survey.
- 2.10 As elsewhere in the country, the global banking crisis directly impacted a high proportion of our residents resulting in high levels of unemployment, sanctions and youth unemployment. Whilst nationally over the last year unemployment has fallen, the impact in Oldham has been more severe than the national picture. A recent economic analysis assessing the impact on Oldham residents identifies for the month of December that:
- Unemployment has increased by 85 claimants over the November figure. As of December 2015 there were 4,270 unemployed people in Oldham.
 - The unemployment rate in Oldham at 3.0% is the joint highest rate across Greater Manchester and higher than the national average of 1.7%.
 - There are significant differences in the unemployment rates between electoral wards with unemployment in Coldhurst at 6.5% being much higher than the lowest ward of Saddleworth North at 0.8%.
 - The youth unemployment rate in Oldham of 6.2% is the highest across Greater Manchester.
- 2.11 By continuing investment in the Get Oldham Working initiative and working with employers across the borough, the Council is striving to provide opportunities to reverse these trends.

3 Oldham Council Cooperative Position

- 3.1 Although times are challenging for Oldham Council and the Local Government sector as a whole it is important to consider significant positive outcomes in the borough and the Council's key achievements over the past twelve months. These include:
- Finding budget reductions of £35m to balance the budget in 2015/16
 - Breaking our own financial speed and accuracy benchmarks when we published our 2014/15 final accounts
 - Oldham's A-Level pass rate for 2015 being above national average
 - The Get Oldham Working team announcing that as of December time 3,507 job related opportunities had been created in 2015, smashing the original target of 2,015 by the end of 2015
 - 50 local companies having signed up to the Fair Employment Charter which encourages employers across Oldham to provide fair, ethical and sustainable job opportunities for their employees
 - The launch of the Education and Skills Commission to help raise local standards and aspirations so that every child can achieve their full potential

- Grassroots sport in Oldham receiving a significant boost following the re-opening of five refurbished playing pitches, and changing rooms at Crossley Playing Fields, Chadderton
- The Oldham Dementia Action Alliance, led by Oldham Council and Oldham NHS Clinical Commissioning Group, established more than 2,500 dementia friends across the borough
- Introducing the National Living Wage for Oldham Council staff
- Introducing the selective licencing scheme for private landlords to crackdown on rogue landlords and irresponsible tenants
- Approving 74 grant applications to support businesses in the Independent Quarter
- Attracting 24 new businesses to locate in the Independent Quarter
- Signing a deal with M&S to be the anchor tenant in the Prince's Gate development at Oldham Mumps
- Opening of the new £8m sports centre for Royton (opened 28 September 2015)
- Opening of the new £15m Oldham sports centre (opened 27 November 2015)
- The Freezing of Council Tax in 2015/16 for the second consecutive year – despite continuing pressures on budgets

4. The Council's Ambition and Priorities

- 4.1 The Council's ambition is to deliver a co-operative future for Oldham, where everyone does their bit to create a confident and ambitious borough. The new Corporate Plan was approved by Full Council in May 2015, and whilst the majority of the corporate objectives remain unchanged there were a number of corporate outcomes added which help in defining our ambition for Oldham. They are as follows:

Table 2 Corporate Objectives

A productive place where business and enterprise thrive

- **Open for business:** We'll make Oldham a place to invest and do business
- **A regenerated borough:** We'll bring forward key regeneration projects to grow the business base, create jobs and transform Oldham into a vibrant borough
- **A working borough:** We'll work with partners to create job opportunities for local people ranging from training opportunities and apprenticeships to quality jobs that pay a decent wage. Through the Education and Skills Commission we will work with partners to improve educations and skills outcomes for all our young people, giving them the best possible preparation for adulthood and the world of work.

Confident communities where everyone does their bit

- **Confident and involved communities:** We'll work with residents and partners to create a co-operative borough where everyone does their bit and understand the issues affecting people in Oldham and campaign to get a fairer deal for residents.
- **Healthy communities:** We'll work proactively with residents and partners to promote healthy, independent lifestyles.
- **Safe, strong and sustainable communities:** We'll work with residents and partners to create cohesive communities which are well cared for, safe and which have decent homes.

A co-operative council delivering good value services to support a co-operative borough

- **Getting the basics right:** We'll deliver the services we are responsible for efficiently and ethically and listen to resident feedback to ensure their satisfaction with services
- **Responsible with resources:** We have a capable, motivated and healthy workforce and use all our resources responsibly to deliver services in-house or, when needed commission services, which have public service, quality outcomes and value for money at their heart.
- **Reforming and empowering public services:** We'll work with communities, partners and Districts across the borough and Greater Manchester to reform public services and encourage innovation, leading to even better outcomes and service delivery.

- 4.2 As an organisation, a co-operative approach provides the opportunity to find positive and sustainable solutions to the on-going financial challenges being faced. Oldham has a values driven approach which underpins the way we do business. The Council believes in the importance of fairness and responsibility. In practice, that means maximising the positive social, economic and environmental impact that we can achieve through everything we do as set out in our values. From our procurement practices to our pay policy, the Council is using its influence as a commissioner, service provider, facilitator and employer to deliver that added social value.
- 4.3 Working with communities at a neighbourhood level we are continuing to enable residents to take greater control over their own lives and over the services and amenities that matter most to them. Power and responsibility is being devolved, and support given to people to do more to help themselves and each other. By building greater resilience and self-reliance, the Council is enabling individuals and communities to make positive choices to change their lives and their neighbourhoods for the better – whether that means small choices that make a big difference, like putting litter in the bin instead of dropping it on the street, or making a big change, like taking control of local services.
- 4.4 In delivering the Council's ambitions and priorities it is essential that a strong identity for Oldham is established, supported by the strong identity of Districts and neighbourhoods. This includes developing the role and strengths of neighbourhoods and Districts and developing their identity and role within the overall borough. It also includes a strong role for Oldham within the Greater Manchester (GM) sub-region, particularly given the current devolution initiative taking place within GM.
- 4.5 The Council is committed to developing a different relationship with citizens, partners and staff. This means being a Council that listens, responds and engages as locally as possible and has strong civic and community leadership.
- 4.6 The Council values the dignity of work and is striving to improve the productivity of our communities. The Get Oldham Working (GOW) initiative has significantly overachieved on its ambition to create 2,015 job opportunities by 2015. However, youth unemployment remains at the highest level within Greater Manchester. Worklessness, in particular the number of young people who are not in education, employment or training is a serious concern. It drives social exclusion as well as having a negative impact on the productivity of the borough and its communities. The Council continues to provide opportunities through the GOW initiative to address this.

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- 4.7 The Council has developed an exciting portfolio of opportunities demonstrating Oldham is open for business by using resources to attract and secure significant additional investment. Progress on our regeneration programme continues with work completed on both the Royton and Oldham Leisure Centres and well advanced in turning the Old Town Hall into an 800-seater ODEON cinema.
- 4.8 Transformational approaches to delivery of services that work in partnership with citizens are essential. The Council must significantly reconfigure its business and organisational arrangements over the next few years in order to continue to provide value for public money services. The financial challenges faced mean the Council's response must be more ambitious than simply applying percentage reductions across services.
- 4.9 As a Cooperative Council services are being re-designed and innovative commissioning models developed to ensure that all our services, whether delivered in-house or with partners, provide excellent and improving value for public money getting the maximum impact for Oldham and its people for every pound spent. The Council will be organised in a way that enables it to meet the challenges from Central Government whilst also delivering the Administration's priorities.
- 4.10 The need to take cost out and make budget reductions will be a key driver for the foreseeable future. Therefore, continued financial prudence in the management of our affairs remains essential. Significant budget reductions have been delivered. A total of £176m of reductions have been made over the period 2009/10 to 2015/16. A robust approach to managing the budget means we are one of a limited number of Authorities to identify and agree at Council budget options for 2016/17 before the end of the calendar year 2015.

5. Financial Position

Financial Resilience

- 5.1 Oldham is well positioned to adapt and adjust to meet the new financial challenges in respect of 2016/17 and future financial years. The Audit Findings Report produced by the External Auditor for the 2014/15 Statement of Final Accounts gave an unqualified Value for Money Conclusion and highlighted (based on the position prevailing at that time) "that,
- the Council has effective arrangements in place which enabled it to deliver its challenging £23m of savings in 2014/15
 - the Council continues to face challenges in the future with the need to achieve an estimated £94m of further savings over the next three years"
- 5.2 This report also highlighted the improvement in assessed financial resilience of the Council on the six potential risk areas which are assessed at the year-end.

Table 3 – Auditor’s View of Financial Resilience

Theme	Summary Findings	RAG rating 2013/14	RAG rating 2014/15
Key indicators of performance	“The Council’s key financial indicators remain reasonably good overall.....”	Amber	Green
Strategic financial planning	“The Medium Term Financial Strategy shows realism regarding the financial challenges facing the Council, in particular the £94M of savings required over the next three years. Members and Officers share a good understanding of the financial issues facing the Council and there are strong arrangements in place.....”	Green	Green
Financial Governance	<p>“The Council has effective financial governance arrangements in place with a good understanding of the Council’s financial environment and proposals for responses to risks identified.</p> <p>Revenue budget and Capital Programme reporting is clear and comprehensive. Revenue monitoring is reported to the Cabinet and Overview and Scrutiny Value for Money Select Committee throughout the year and facilitates a good level of challenge, including reviewing any potential impact on service performance.”</p>	Green	Green
Financial Control	<p>“The Council has a good track record of achieving savings targets and remaining within budget and delivered its Challenging £23m savings plan for 2014/15. The Council has set a budget which does not anticipate needing to use available balances.</p> <p>The Cabinet is updated on a monthly basis on the progress of directorates against savings plans. Budget and financial reporting delivers to a prompt timescale at all levels and the Council is looking to further improve this through the introduction of the A1 project which integrates financial management, HR and Payroll systems and facilities ‘self-service’ to the Council’s Business Units.</p> <p>Key financial systems are reviewed regularly by Internal Audit and findings are reported promptly to the Audit Committee, with particular focus for any systems where controls weaknesses are identified. This is regarded as an important part of ensuring that the financial systems can be relied</p>	Green	Green

	upon to produce accurate budget reporting as well as annual financial statements.”		
Prioritising resources	<p>“The Council continues to be effective in challenging the cost effectiveness of existing services as well as challenging the way services are delivered to achieve maximum value from reducing financial resources. The MTFS and budget Plan demonstrate how it prioritises the funding of services in accordance with the Council's Corporate Objectives. Transformational Service Plans are in place for key services, e.g. Adult Social Care and demonstrate how these schemes address corporate priorities.</p> <p>The Council is investing in capital schemes to improve the borough's leisure facilities and redevelop the Old Town Hall and is planning further schemes to boost economic activity in the Borough. The Council's Capital Strategy demonstrates how these developments are driven by the Council's Corporate Plan.”</p>	Green	Green
Improving efficiency and productivity	<p>“Council understands its cost base. It has achieved good levels of efficiency and productivity and reductions in the workforce have not had substantial impact on service provision.</p> <p>Transformational Service Plans are already being implemented in key areas to improve efficiency, through internal efficiencies and also through Integrated Commissioning.”</p>	Green	Green

- 5.3 The ratings for 2014/15 were all ‘Green’ for the first time and demonstrated the improvement between 2013/14 and 2014/15 and reinforced the sound financial position of the Council. The Council will aim to retain these ratings from the External Auditor and demonstrate not only good value for money but also continued strong financial management and resilience.

2015/16 Budget Position

- 5.4 The starting point for the consideration of the 2016/17 budget is the current 2015/16 budget position. Since the 2015/16 budget report was presented to Council, there have been a number of further funding allocations and amendments. These are detailed in the table below as reported in the month 8 Revenue Monitoring report which was approved by Cabinet on 11 February. The budget for 2015/16 has therefore increased to £207.412m and this is therefore the revised base budget for 2016/17. The month 8 projection is that the Council will have an overall underspend of £445k at the end of 2015/16 so this will not have any impact on the overall 2016/17 budget position. There are, however, some specific areas of the budget with adverse variances where permanent management solutions have not proved sustainable. These will be addressed in the 2016/17 budget as outlined at section 11.

Table 4 – Revised 2015/16 Net Revenue Budget

Month 8	2015/16 £m	2015/16 £m
Net Revenue Budget as at 25 February 2015		195.800
Adjusted for use of reserves		0.195
Adjusted Net Revenue Budget		195.995
New One-Off Grant Funding Received		
Revised Notification of General Grant Funding (including a Multiplier Cap Adjustment)	0.265	
Special Education Needs and Disability Regional Lead	0.055	
Staying Put Grant	0.039	
Welfare Reform Grant	0.054	
New Burdens Funding - Deprivation of Liberty	0.120	
New Burdens Funding - Land Searches	0.057	
New Burdens Funding - Independent Living Fund	2.244	
Capital Grants	8.778	
Adjustment to Use of reserves	(0.195)	
Total One Off Budget Adjustments		11.417
Total Revised Net Revenue Budget		207.412

Revised 2016/17 and 2017/18 Budget Position

- 5.5 As in previous years the process for addressing the budget gap has used the forum of Leadership Star Chamber, which is a tried and tested methodology allowing the detailed review and examination of budget options so that there is clear Cabinet Member support for proposals before their submission for public consultation and scrutiny. Leadership Star Chamber meetings are chaired by the Leader of the Council with support from Cabinet Members and Senior Officers and allow the consideration of budget issues and proposals.
- 5.6 The budget has been reviewed by Directorate area with proposals put forward for consideration. The Directorate areas reviewed are as follows:
- Health and Wellbeing
 - Cooperatives and Neighbourhoods
 - Economy and Skills
 - Corporate and Commercial
 - Chief Executive and Policy and Governance
- 5.7 Work has also been undertaken to prepare cross cutting budget proposals where possible. Member support for proposals has been demonstrated by pro-formas bearing the signatures of the relevant Cabinet Member.
- 5.8 All previous budget reports to PVFM, Cabinet and Council have been prepared using the most up to date information available. Members will recall that until the LGFS was received, the financial position was subject to change. The LGFS has now advised of actual grant funding levels, thus replacing previous estimates. Although there are still some grants to be confirmed, most grants and all levy notifications have been received. This has enabled the budget to be moved forward to the final stage.

6 Local Government Finance Settlement (LGFS)

Provisional Settlement

- 6.1 The 2016/17 Provisional LGFS was released on 17 December 2015. It was issued by the Secretary of State for Communities and Local Government the Rt. Hon. Greg Clark MP, setting out the Government's formal proposals for funding English Local Authorities for 2016/17.
- 6.2 The Government has provided Settlement figures covering 4 financial years, 2016/17 to 2019/20 in an aim to assist financial planning, enable more effective planning of service delivery and support strategic collaboration with partners. There is however only certainty in relation to 2016/17. Future year's figures will be amended in accordance with future events including the transfer of new responsibilities. If the Council wishes to take up the Government's offer of a four year funding settlement up to 2019/20 it would have to produce an efficiency plan, of which there is currently no detail.
- 6.3 The Council submitted a response to the 17 consultation questions issued by the Government alongside the Provisional LGFS detail. The consultation period closed on 15 January 2016 and the Council's response which was largely supportive of the contents of the settlement as it provided a less severe reduction in Government funding than had been anticipated (as outlined later in the report).
- 6.4 The Provisional LGFS confirmed the key messages of the Spending Review and Autumn Statement, namely:
- a) Councils will be required to make efficiencies but will have new powers to generate growth in their areas. By the end of the Parliament, Local Government will retain 100% of business rates revenue to fund local services
 - b) The system of top ups and tariffs which redistribute business rates revenues between Councils will be retained but Uniform Business rates will be abolished allowing any local area to cut business rates as much as they like in an aim to generate new jobs and wealth
 - c) Elected city-region mayors will be able to add a premium to business rates to pay for new infrastructure provided they have the support of the local business community
 - d) Revenue Support Grant will be phased out and additional responsibilities devolved to Councils, empowering them to drive local economic growth and support their local communities
 - e) The Government will consult on options to transfer responsibility for funding public health from business rates rather than via a ring fenced grant
 - f) Responsibility may also be passed to Councils to support older people with care needs and Government will consult on this to seek the right model for the operation of this new function
 - g) The introduction of the ability for Councils to levy a 2% increase in Council Tax to fund Adult Social Care

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- h) Increases to the Better Care Fund of £1.5bn effective from 2017/18
 - i) Reform to the New Homes Bonus scheme
 - j) Providing freedom to Councils to use capital receipts to fund reform of services
- 6.5 Some of these issues impact on the financial position for 2016/17 and some will take effect in future financial years. Where possible, the MTFS incorporates the anticipated implications of the introduction of these initiatives.

Final Settlement

- 6.6 The Final Local Government Settlement was received on 8 February 2016. This provided confirmation of the grant funding allocations originally received on 17 December 2015 as part of the Provisional LGFS with no change for Oldham. The notification from Central Government setting out key Settlement information is presented at Appendix 12.
- 6.7 The LGFS did however provide an update on the following issues:
- The offer of a four-year settlement was repeated, but no further information has been released although Authorities now have until Friday 14 October 2016 to apply.
 - There will be transitional assistance to Authorities with the biggest RSG reductions in the first two years of the settlement totalling £150m per annum over the two years. This has no direct impact on Oldham's funding but has benefitted many Councils including southern Shires
 - Rural services delivery grant will be further increased. This has no direct impact on Oldham's funding.
 - The Government will undertake a revision of needs formula in the lead up to 100% business rate retention.

Overall allocations

- 6.8 The national Settlement Funding Assessment (SFA) figures used by Central Government show all the Government funding included in the Settlement for 2016/17. For all of England, the SFA is set at £18.601m as illustrated in Table 5. This is an overall reduction from £20.758m in 2015/16, a change of £2.157m (9.62%) and highlights the extent of the funding being withdrawn from the SFA.

The SFA is comprised of Revenue Support Grant and Baseline Funding (Business Rates assumed to be used by Local Authorities in budget setting and Business Rates Top Up Funding). By using an assumed figure for Business Rates, this does not in reality reflect the true resources available to the Local Government sector.

Table 5 - National SFA

	Total SFA for England			
	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Settlement Funding Assessment of which:	18,601	16,624	15,559	14,653
Revenue Support Grant	7,184	4,982	3,573	2,284
Baseline Funding Level	11,417	11,642	11,986	12,369

As can be seen, the Government had provided financial information for four financial years, when a one year settlement had been expected. The Oldham SFA is shown in Table 6. The figures for 2016/17 can be taken as definitive. The figures for future years are indicative at this stage.

Table 6 - Oldham SFA

	Total SFA for Oldham			
	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Settlement Funding Assessment of which:	99.840	90.891	85.847	80.937
Revenue Support Grant	40.543	30.428	23.600	16.701
Baseline Funding Level	59.297	60.463	62.247	64.236

Settlement Core Funding

- 6.9 The Government has provided greater protection in funding allocations for those Council's providing adult social care and children's services. It has introduced a new concept, Settlement Core Funding which is comprised of Council Tax income and SFA. Using this concept, the Government has allocated Central Government funding in such a way that ensure Councils delivering the same set of services receive the same percentage change in Settlement Core Funding (SCF). Councils providing the same services as Oldham have had a reduction in SCF of 6.5%. This change in methodology has seen the Council receive more RSG than was initially anticipated.

Core Spending Power

- 6.10 In a development of Settlement Core Funding, the Government has introduced a new benchmark of Council spending, Core Spending Power (CSP). This is another new concept and the Government's assessment of Oldham's CSP for 2016/17 is £181.932m, moving to £188.063m by 2019/20. This is shown in table 7 below.

Table 7 - Oldham Core Spending Power

	Core Spending Power for Oldham				
	2015/16 £m*	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Core Spending Power	188.639	181.932	179.236	183.072	188.063

* adjusted to methodology

As shown above, the Government has prepared a comparative CSP figure for 2015/16 which shows the Government's view that spending has reduced by 3.56% between 2015/16 and 2016/17.

- 6.11 The CSP does not directly align to the way the funding for the Oldham budget is calculated, as it makes assumptions about local spending decisions. The contrast between Oldham Council 2016/17 budget assumptions reported to Council in December and the CSP is shown below.

Table 8 - Comparison of Oldham Council to Government Core Spending Power Calculations

	Budget Report (Council report 16/12/15)	Settlement CSP	Variance
	£m	£m	£m
Revenue Support Grant	34.140	40.543	6.403
Retained Business Rates	*28.611	29.060	0.449
Business Rates Top Up	30.587	30.237	(0.350)
Council Tax	76.485	77.656	1.171
2% Adult Social Care Precept	0.000	1.533	1.533
New Homes Bonus	2.700	2.903	0.203
Core Spending Power	172.523	181.932	9.409

* For comparative purposes, the Councils Retained Business Rates income has been adjusted downward to reflect the expected level of £1.369m income from the discontinuing of Small Business Rates Relief (SBRR) Grant. This is now to be paid as a grant.

- 6.12 Whilst the Settlement implies the Council has £9.409m additional resources, the CSP takes the Settlement Core Funding figure and assumes:
- growth in Business Rates based on 2013/14 Business Rates baseline information
 - a Council Tax figure based on Government assumptions as to the growth of the tax base and annual tax increases (1.75% p.a.)
 - the levy of the 2% Adult Social Care precept has been raised

None of these assumptions aligned to Council expectations at 16 December 2015.

- 6.13 The CSP also uses notified Business Rates Top Up Grant funding and also New Homes Bonus grant funding (however, the NHB figure presented is inconsistent with information elsewhere within the Government documentation).
- 6.14 A more direct comparison of the CSP using the local position and presenting this in alignment with the Government's CSP shows potential funding of £178.392m. This compares to the information in the report to Council on 16 December which had an equivalent CSP of £172.523. This is shown in Table 9 below. Whilst this appears to show a significant level of extra funding, the Government has indicated that grants have been rolled into the RSG including the Council Tax Freeze Grant and Adult Social Care Grant, meaning it is not as beneficial as it might initially seem.

Table 9 – Direct Comparison of Oldham to Government Core Spending Power

	Budget Report (Council report 16/12/15)	Revised Assumption Based on Settlement CSP	Variance
	£m	£m	£m
Revenue Support Grant	34.140	40.543	6.403
Retained Business Rates	28.611	28.360	(0.251)
Business Rates Top Up	30.587	30.237	(0.350)
Council Tax	76.485	76.485	0.000
2% Adult Social Care Precept	0.000	0.000	0.000
New Homes Bonus	2.700	2.767	0.067
Funding Available	172.523	178.392	5.869

Settlement Funding Assessment (SFA)

- 6.15 As advised above, the SFA is a Government calculated figure. This incorporates Business Rates Top Up Grant and Revenue Support Grant which are cash payments to the Council, together with the Government assessed locally retained Business Rate figure. The SFA is used by Government in nationally reported funding information. The overall SFA variance for Oldham compared to the budget estimates reported to Council on the 16 December 2015 shows a positive variance of £6.502m for 2016/17 as shown in table 10 below.

Table 10 – Settlement Funding Assessment Comparison Pre & Post LGFS

	Budget Report (Council report 16/12/15)	Government Settlement (Feb 2016) 2016/17	Variance since last reported position 2016/17
		£m	£m
Retained Business Rates	28.611	29.060	0.449
Business Rates Top Up	30.587	30.237	(0.350)
Revenue Support Grant	34.140	40.543	6.403
Settlement Funding Assessment	93.338	99.840	6.502

- 6.16 As the Retained Business Rate element of the SFA reflects the Governments assessment of Business Rate income, the Council must decide whether this will be achieved in the light of local factors. The local assessment is set out in table 11 below and shows that rather than £29.060m in retained business rate income as assessed by Government, a sum of £28.360m is anticipated. This reflects a revised estimate based on more up to date projections as well as being adjusted for Small Business Rate Relief (SBRR) being paid as a grant.
- 6.17 Taking all the elements of the SFA together, the overall change to the SFA figure is an increase in resource of £5.802m as shown in table 11 below rather than £6.502m due

to the downward revision to the Councils own estimate of Business Rate income (see * in table below)

Table 11 – Direct Comparison of Oldham to SFA

	Budget Report (Council report 16/12/15)	Council SFA after Settlement 2016/17	Variance since last reported position 2016/17
	£m	£m	£m
Retained Business Rates	28.611	*28.360	(0.251)
Business Rates Top Up	30.587	30.237	(0.350)
Revenue Support Grant	34.140	40.543	6.403
Settlement Funding Assessment	93.338	99.140	5.802

Whilst it is evident that the Settlement is better than anticipated it is important to consider that there has been a direct reduction in RSG from £50.879m to £40.543m which is 20.31%. If it is assumed that the Council Tax Freeze Grant of £864k in 2015/16 and Adult Social Care Grant of £1.088k in 2015/16 have been rolled into RSG in full, then the adjusted RSG is £38.591m and the RSG reduction is 24.15%

Other Business Rate Grants

- 6.18 The Council will continue to receive Small Business Rate Relief grant as announced in the Autumn Statement. Grant funding for Empty Property Relief, Long Term Empty Property Relief and Retail Relief has been discontinued, so Business Rates income has been adjusted to reflect the collection of sums paid as grant in 2015/16. The Council will not continue to provide these reliefs without support from Central Government. A sum of £1.508m of Small Business Rates Relief Grant has been anticipated, which is £139k higher than initially expected.

Revenue Support Grant

- 6.19 The Revenue Support Grant (RSG) is the largest unringfenced grant the Council receives and it is used to underpin general Council services. The RSG included in the Settlement (shown above at £40.543m) is £6.403m higher than the estimates included in the latest reported position (£34.140m). However the RSG allocation includes the rolled up element for 2015/16 Council Tax Freeze Grant at a sum of £864k and Adult Social Care Grant (paid at £1.088m in 2015/16 and assumed at £585k for 2016/17). Whilst these allocations might have been passported into RSG in full, the Government has not clarified which other grants have been rolled into RSG. Although there is significantly more RSG than had been anticipated, it is important to note that it has still been cut by £10.336m.

Other Unringfenced Grants

- 6.20 The Council will receive other unringfenced general grants in 2016/17 and is able to use this Government funding as it sees fit. There are considerably less grants than were notified in 2015/16, hence the uncertainty as to whether they have been rolled into RSG. The Council had taken a prudent approach to such grants and funding allocations had not been assumed in most instances.

Grants for which funding had not been assumed in 2016/17 now total £0.457m and are summarised in table 12 below. It had initially been assumed that Special Educational Needs funding would not be continued but the Council has now been advised of an allocation of grant.

Table 12 - 2015/16 Unringfenced Grants

Unringfenced Grants	2015/16 Allocation £m
Lead Local Flood Authority	0.026
New Homes Bonus – Returned Funding	0.191
Council Tax Support New Burdens	0.066
Department of Health Revenue Grant	0.151
Extended Rights to Free Travel	0.023
Total Unringfenced Grants in 2015/16	0.457

6.21 Grants to be received in 2016/17 are shown in table 13 below. In overall terms, the Council will receive £0.310m less funding from these grants than it anticipated. Each of these grants is explained below in the following paragraphs.

Table 13 – Government Grants 2016/17

Changes to Funding Following the Local Government Finance Settlement	Expected Position £m	After Settlement £m	Difference £m
Housing Benefit Administration	1.048	1.056	0.008
Council Tax Administration	0.330	0.330	0.000
New Homes Bonus	2.700	2.767	0.067
Council Tax Freeze Grant	0.926	0.000	(0.926)
Adult Social Care New Burdens	0.585	0.000	(0.585)
Education Services Grant	2.500	2.505	0.005
New Burdens ILF Grant	2.013	2.841	0.828
Multiplier Cap/Settlement Funding Adjustment	0.854	0.966	0.112
Special Educational Needs	0.000	0.181	0.181
Total General Government Grants	10.956	10.646	(0.310)

Housing Benefit and Council Tax Administration Grant

6.22 The Government will continue the payment of this unringfenced grant which compensates Local Authorities for the administration of the Housing Benefit and Council Tax system. The Department for Work and Pensions has given notification that the Housing Benefit element of the grant will be £1.056m for 2016/17 which is £0.008m higher than expected. The Council has yet to receive confirmation of the Council Tax element of the grant and therefore at this stage, grant in accordance with expectations of £0.330m is assumed.

New Homes Bonus (NHB)

- 6.23 New Homes Bonus funding has increased from £2.086m in 2015/16 to £2.767m in 2016/17. This is £67k above the anticipated level. The achievement of NHB allocation for 2016/17 demonstrates the reduction in the number of empty homes and reflects the increased number of properties in the Oldham area.

Council Tax Freeze Grant

- 6.24 The Council had expected to receive £0.926m of Council Tax Freeze Grant for 2016/17 in line with the budget assumption that there would be no increase the level of Council Tax. The Government has discontinued Freeze Grant and the Freeze Grant payable in respect of 2015/16 of £864k has been rolled into the RSG and has been subsumed within other funding.

Adult Social Care New Burdens

- 6.25 The Council received grant of £1.088m in 2015/16 to support new burdens associated with Government changes around Adult Social Care and the Care Act 2014. A grant of £585k had been assumed for 2016/17. This grant has been rolled into RSG and therefore will not be paid separately.

Education Services Grant

- 6.26 Education Services Grant reflects the amount Authorities are funded for school related services provided through the Local Education Authority. It is based on pupils aged 3 to 19 in state schools. The allocation initially notified by Central Government has been reduced by £0.324m from £2.829m, to £2.505m as a result of adjustments in relation to schools transferring to academy status. This grant is used to underpin the budget of the Council but is subject to change in year.

Independent Living Fund (ILF)

- 6.27 The Council took over responsibility from Government for the functions associated with the former Independent Living Fund during 2015. Oldham was notified of grant funding for 2016/17 on 10 February 2016 in the sum of £2.841m. This is £0.828m higher than the assumed grant of £2.013m. However, this grant notification was included in a consultation paper which sought views as to the allocation methodology. The consultation is not timed to end until 22 March and as a result there is no certainty that all this funding will be finally retained by the Council. At this point it is therefore considered prudent not to rely on the availability of all the resource for budget setting in case the allocation is reduced after the conclusion of the consultation period.

Multiplier Cap Grant

- 6.28 The Settlement figures have been adjusted to allow for a cap on the increase in Business Rates to 2% relating to 2014/15 and 2015/16. A separate national grant is to be paid in respect of lost income associated with the 2% cap. This is the third year of this grant and Oldham is expected to receive £0.966m in 2016/17. This grant has yet to be confirmed.

Special Educational Needs and Disabilities Implementation Grant

- 6.29 This grant is aimed at funding the early identification of the special educational needs of children and young people, making it easier for families to receive the support they

need. Funding had not been assumed for 2016/17, however Oldham has received an allocation of £0.181m, an increase of £0.021m on the £0.160k received in 2015/16. In accordance with previous practice, although unringfenced, this grant is to be locally ringfenced to support the services for which it has been allocated.

Overall Reduction in Unringfenced Government Grant Funding 2015/16 to 2016/17

6.30 In order to illustrate the full extent of the Government grant funding reductions between 2015/16 and 2016/17 for unringfenced grants, Table 14 shows the grants paid in 2015/16 compared to those currently anticipated/notified. As can be seen the total reduction is £12.133m which illustrates how much of the budget reduction target is generated by Government grant reductions. It should also be noted that confirmation of funding levels is still awaited for two of the grants (see*). As advised at 6.27, the new burdens ILF grant is subject to a consultation exercise which does not conclude until after budget setting is complete and at present there is concern that some of this funding may be withdrawn after the consultation concludes.

Table 14 – Comparison of Government Grants - 2015/16 to 2016/17

Changes to Funding Following the Local Government Finance Settlement	2015/16 Final Position £m	2016/17 Post LGFS £m	Difference £m
Revenue Support Grant	50.879	40.543	(10.336)
Housing Benefit Administration Grant	1.163	1.056	(0.107)
Council Tax Administration Grant*	0.366	0.330	(0.036)
New Homes Bonus Grant	2.086	2.767	0.681
Council Tax Freeze Grant	0.898	0.000	(0.898)
Adult Social Care New Burdens Grant	1.088	0.000	(1.088)
Education Services Grant	3.127	2.505	(0.622)
New Burdens ILF Grant	2.244	2.841	0.597
Multiplier Cap/Settlement Funding Adjustment*	0.854	0.966	0.112
Special Educational Needs	0.160	0.181	0.021
Other Unringfenced Grants (See Table 12)	0.457	0.000	(0.457)
Total General Government Grants	63.322	51.189	(12.133)

Overall position after the LGFS

6.31 Taking all the changes in the SFA and the grants into consideration means that the Council has, after the LGFS and related grant notifications, anticipated additional funding of £5.631m as shown in Table 15 (albeit that some grant notifications have still to be confirmed).

Table 15 - Overall Position After Allowing for the Impact of the Settlement and Other Grant Assessments

Changes to Funding – Local Government Finance Settlement	Expected Position £m	After Settlement £m	Difference £m
General Government Grants	10.956	10.646	(0.310)
Small Business Rates Relief Grant	1.369	1.508	0.139
Settlement Funding Assessment	93.338	99.140	5.802
Total Change To Resources Available	105.663	111.294	5.631

7 Other Changes Impacting on the Financial Position

Flexible use of Capital Receipts

- 7.1 The Provisional LGFS included the flexibility to use capital receipts for qualifying revenue expenditure. This is subject to an efficiency plan and Council approval. At this time no assumption has been made about the use of this flexibility.

Qualifying expenditure must improve efficiency or generate revenue savings in future years. Examples include:

- Shared services
- Feasibility studies
- Inter-authority co-operation
- Service reconfiguration
- Digital delivery
- Improving counter fraud systems

Council Tax Policy 2016/17

- 7.2 The Council initially intended to freeze Council Tax and accept Council Tax Freeze grant in 2016/17, however, the grant is no longer available. The option of choosing to freeze Council Tax and receive grant compensation has been removed and the Council now intends to increase Council Tax by up to 1.7% in 2016/17. As highlighted earlier, the Government's assessment of Core Spending Power assumes that the Council will agree to a Council Tax increase of 1.75%.
- 7.3 The Settlement has conferred on Councils the ability to increase Council Tax by 2% to generate an Adult Social Care precept. This additional funding must be ring-fenced to support the increased costs of Adult Social Care, in part caused by the Government's move to introduce the National Living Wage and the consequent impact on the cost for provision of care. As advised earlier in the report, the Government's calculation of CSP assumes this precept is levied by Oldham and by all Councils. On this basis, the precept, which has to be highlighted separately on the face of the Council Tax bill, will be introduced by the Council.
- 7.4 A 1.70% general increase to Council Tax in 2016/17 together with a 2% increase to generate an Adult Social Care precept (a 3.70% total Council tax increase) would increase the Oldham Council Band D Council Tax to £1,444.48.
- 7.5 Considerable funding pressures are being experienced in Adult Social Care and as a consequence, the anticipated cost of addressing Adult Social Care pressures for

2016/17 linked to Government policy around the National Minimum Wage, has been reassessed at £2.7m. This would be incurred irrespective of the Council's ability to charge a separate precept. The 2% precept will only finance £1.515m towards this extra cost. The general increase in Council Tax of 1.7% will generate sufficient resources to finance the remaining cost pressure.

Relevant Basic Amount of Council Tax

- 7.6 The Council is required to calculate its Relevant Basic Amount (RBA) of Council Tax to determine whether there is a requirement to hold a referendum about a Council Tax increase above a level that the Government considers excessive. This "excessiveness" will be determined annually but for 2016/17 has been set at a figure of a 4% increase in the RBA of Council Tax. As a result of the changes in legislation arising from the passing of the Local Audit and Accountability Act 2014, the change in the RBA of Council Tax is now equivalent to the change in Band D headline Council Tax. An increase of 3.70% would not therefore be classed as excessive and would not trigger a referendum.

Council Tax Base

- 7.7 Each year the Council is required to review its Tax Base by considering the:
- a) numbers of properties within the boundary of the borough which determines the number of Band D equivalent properties upon which the Council Tax calculations are based;
 - b) anticipated level of Council Tax that will be collected known as the Collection Rate.
- 7.8 On 25 January 2016 Cabinet agreed the calculation of the Council Tax Base for 2016/17 and a summary of the calculation is included at Appendix 9 to this report. The taxbase has increased by 1,005 from 53,401 to 54,406. With a 3.70% increase this generates Council Tax of £78.588m. This taxbase produces £77.073m of Council Tax for general purposes, which is £588k more than had been expected in previous budget reports and an Adult Social Care precept of £1.515m.

Collection Fund Surplus

- 7.9 The Collection Fund is a statutory fund separate from the General Fund of the Council. The Local Government Finance Act 1992 (as amended) requires that the Council as the Billing Authority calculates a Collection Fund estimate on 15 January each year. This may produce a Council Tax surplus or deficit which can then be distributed to the Council and the two precepting bodies, the Police and Crime Commissioner for Greater Manchester (PCCGM) and the Greater Manchester Fire and Rescue Authority (GMFRA). In addition, the Business Rates surplus or deficit can be distributed to the Council, GMFRA and Central Government.
- 7.10 Due to changes to the Local Government Finance regime in 2013/14, and with particular focus on the elements impacting the Collection Fund (the localisation of Council Tax and Business Rates Retention), it is evident that the financial position of the Collection Fund has been more volatile than in previous years. Indeed, accounting for the assessment of outstanding business rates appeals is still very subjective and open to a range of uncontrollable elements.
- 7.11 The most recent financial monitoring position has shown that the overall Collection Fund balance at 31 March 2016 is expected to be a deficit of £2.230m comprised of a

surplus of £3.400m of Council Tax and a deficit of £5.630m of Business Rates. However because of the allocation of the proportions of funding the Councils share of the Collection Fund balance is:

	£m
Council Tax Surplus	(2.956)
Business Rates Deficit	2.760
Total Surplus	(0.196)

The Council has relied upon a Collection Fund surplus of £196k for its budget for 2016/17 and this is presented in the table below, together with the respective Collection Fund positions for Central Government, PCCGM and GMFRA. All surplus/deficit notifications to other organisations were issued in accordance with statutory requirements.

Table 16 - Collection Fund Surplus

	Allocation				Total
	Central Government £m	PCCGM £m	GMFRA £m	Council £m	Forecast Year End Position
Council Tax	0.000	(0.322)	(0.122)	(2.956)	(3.400)
Business Rates	2.814	0.000	0.056	2.760	5.630
Total (Surplus)/ Deficit	2.814	(0.322)	(0.066)	(0.196)	2.230

7.12 The key reasons for the Collection Fund position are:

- a) Council Tax
 - The introduction of the Council Tax localisation scheme in 2013/14 and the difficulties in assessing the collection levels which still creates some uncertainty.
 - The higher than expected increase in the Council Tax Base during 2015/16. This had not been fully anticipated. The revision to the Tax Base for 2016/17 will also prevent excessive surpluses building up in the Collection Fund.
- b) Business Rates
 - Changes in liability resulting from a change in occupancy.
 - The uncertainty of the level of Business Rate appeals.
 - The continuing economic downturn depressing business rate income.

Additional Budget Resilience Issues

7.13 Since budget estimates were reviewed and revised, three issues already considered as budget resilience issues have been reassessed and now must be addressed:

- The impact of the taxbase increase on parish precepts and the increase in Council Tax by Shaw and Crompton Parish Council caused an increase in expenditure of £6k (matched by increased Parish Precept Income)
- The revision to the cost of financing pay awards based on the National Employers most recent offer resulting in an additional budget cost of £33k
- The revision to the calculation of the impact of the National Living Wage on the provision of Adult Social Care resulting in extra costs of £2.1m

8 Ringfenced Grants

Public Health

- 8.1 The main Public Health Service transferred to the Council in April 2013. This service is funded by a ring-fenced grant provided by the Department of Health. From October 2015 onwards, funding also includes additional support for the 0-5 health visitor services which transferred from NHS England bringing total funding in 2015/16 to £17.079m. This equates to a full year allocation of £19.243m. In early November 2015, the Council received formal notification of a £1.057m in year cut in grant funding which has been continued into 2016/17. Although the in-year saving for 2015/16 has been successfully achieved, it has proved challenging.
- 8.2 In late November, the Council received notification from the Chief Executive of Public Health England (CEPHE) that the 2015/16 in-year cut had become permanent along with further reductions to be made on a progressive basis until 2019/20. The Council received its' grant notification for 2016/17 on 10 February which advised of grant of £17.775m. This is £0.411m lower than the adjusted 2015/16 grant but £1.468m lower than a comparable full year allocation for 2015/16. The 2017/18 grant was also notified at a reduced value of £17.341m.
- 8.3 Although the CEPHE advised of further cuts in Public Health funding until 2019/20, grant will not be ringfenced from 2018/19 and the Government has separately advised that from 2018/19 funding should be financed from Business Rates. The future funding of Public Health is therefore uncertain.

Better Care Fund (BCF)

- 8.4 BCF allocations were announced on 15 January 2016 with the Oldham share confirmed at £16.627m, of which £9.895m will be passed to the Council to commission services. This is expected to cover issues such as personalisation, the provision of support for carers, information advice and support and independent mental health advocacy. Funding will be allocated to the Oldham Clinical Commissioning Group (CCG) as part of the pooling arrangements and passported to the Council as per the BCF agreements. This has already been anticipated within the budget and in some of the budget reduction proposals.

Dedicated Schools Grant

- 8.5 The Dedicated Schools Grant (DSG) is initially set at £224.174m for 2016/17. This provides funding for schools; the Pupil Referral Unit; and Early Years Provision in Private, Voluntary and Independent Establishments (PVI's); and a budget for other provision for pupils which the Local Authority funds centrally. Central Local Authority funding now includes high needs provision, including post-school provision up to the age of 25, and other pupil related services.
- 8.6 The DSG is a ring-fenced specific grant. This funding is calculated by Central Government based on the "spend plus" methodology and the number of pupils receiving education within the Oldham Council area. The Council then allocates the money to the schools, according to our own funding formula. Each school's budget is subject to a Minimum Funding Guarantee (MFG), the level of which is set by Department for Education (DfE). The MFG ensures that, subject to certain exemptions, a school's budget is guaranteed to increase or decrease by a set percentage. The Council can retain funding centrally to meet its estimate of the cost of

delivering education in settings other than its own maintained schools as well as to provide relevant pupil related support services for Early Years or High Needs.

8.7 Although the Council continues to receive funding for schools directly from the Government through the DSG, this is now allocated within three notional blocks. Councils can move funding between the notional blocks in consultation with the Schools Forum to ensure that local pressures can be met. These blocks are:

a) **Schools block.**

This covers Reception to year 11 pupils and some centrally retained services for school pupils e.g. admissions service.

The funding reforms introduced from April 2013 outlined the requirement for the maximisation of delegation to schools and academies of central services funding and the funding from the schools block in the first instance. This was to ensure that local decision making was made by schools/academies directly giving greater choice to Headteachers, Principals and Governors on how to spend their budgets.

This change requires Local Authorities to delegate funding relating to a number of centrally retained school block budgets to schools via the Local Funding Formula. Locally maintained schools then have the option of de-delegating the funding back to the Council to provide better value for money or to pool risk. These services are Insurance, School Improvement/ Underperforming Schools, Contingencies and Teacher Union Duties. De-delegation has to be agreed each year by Schools Forum.

b) **High Needs**

This covers Pupils in mainstream schools and special schools as well as alternative provision and Special Educational Needs (SEN) support services. Pupils and students with high needs are those young people who need educational provision that costs more in total, including basic provision given to all pupils and students, than £10,000 per year;

c) **Early Years**

This covers free entitlement to Early Years funding for 2, 3 and 4 year olds and current centrally retained Early Years services.

8.8 The DSG for 2016/17 also includes funding of £3.403m for an increase in pupils numbers, £349k for Non Recoupment academies, £27k for post 16 residency, £446k additional high needs funding, £207k re High Needs Business Case 2015/16 and £56k for the costs of monitoring and quality assurance Newly Qualified Teachers (NQT) induction.

8.9 Based on pupil number changes, the DSG funding received by Local Authorities continues to be allocated on a 0% cash increase basis for the Schools Block and Early Years Block. (i.e. the guaranteed unit of funding per pupil will be the same as those in 2015/16 except for an adjustment for former non-recoupment academies). Although the funding allocated to the Local Authority will remain constant for 2016/17, the changes brought about by the new local funding formula and the prescriptive criteria set by Government results in both winners and losers for individual schools in financial terms.

8.10 In determining schools budgets, a number of key changes have been implemented. This includes reducing the number of factors that can be used in the local formulae to distribute funding from 33 to 12.

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- 8.11 To dampen the impact of changes to schools budgets the MFG will continue at minus 1.5% per pupil, and be calculated on a simplified basis. The minimum funding guarantee is a formula that has to be applied to each school's budgets to ensure that its budget does not exceed the maximum decrease of 1.5% per pupil. Conversely as Authorities are operating within a set level of resources, caps may have to be applied to any winners. This capping restricts a schools gain when comparing what they received per pupil in the preceding year compared to what they receive under the new formula arrangements. For 2016/17 the capping will be set at 0.0%.
- 8.12 In relation to the Council's revenue budget it is currently anticipated that the changes to the DSG will have a neutral effect. Work has now been concluded on determining the implications for schools arising from the allocation of £224.174m for 2016/17.

Discretionary Housing Payments

- 8.13 On 4 February 2016 The Department for Work and Pensions advised of the allocation of the £150 million fund for Discretionary Housing Payments (DHP) 2016/17 with Oldham's allocation at £0.474m. This will be treated as a ringfenced grant as Authorities are required to provide a statement of grant usage and to return any unspent DHP allocation to the Government at the end of each financial year.

9 Other Issues Impacting on the Budget

Business Rates Pooling

- 9.1 Members will be aware that as a result of the change to the Business Rates regime, it is possible for a group of Councils to form a business rates pool. The purpose of pooling business rates across the individual Authorities is not intended to alter the income level of an individual Authority but to retain any levy that might be payable by certain members of the pool. Any sum gained would be retained by the pool.
- 9.2 Councils in Greater Manchester have considered this in both 2013/14 and 2014/15 but the matter was not pursued as it was not considered to be a viable proposal given the volatility around business rates income especially with regard to the position on business rates appeals.
- 9.3 However, Members will recall that the position for 2015/16 was such that an application for the pooling of business rates was submitted to and agreed by the Department of Communities and Local Government (DCLG) on behalf of the Greater Manchester Council's and Cheshire East Council. Manchester City Council administers the pool and any proceeds are to be retained for investment within Greater Manchester and other non-Greater Manchester pool member Councils. It will be July 2016 before the actual value of any benefits can be finally calculated as all Councils must have finalised their accounts before the assessment can be made and also given the complexities of the methodology to determine shares between Councils and the DCLG.
- 9.4 The Government advised that it would continue with pooling arrangements in their current format for 2016/17. In accordance with timelines for previous years, the DCLG indicated that a provisional expression of interest in a 2016/17 pooling arrangement should be submitted by 31 October 2015. In order that the opportunity was not lost, the ten Greater Manchester Councils, Cheshire East and this year also Cheshire West and Chester Councils submitted an expression of interest. This provides a mix of tariff and top-up Councils in order to maximise any gain.

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- 9.5 A key requirement of pooling is that each Authority had to make a decision on whether it wished to confirm its involvement in a 2016/17 pool within 28 days of the issue of the Provisional Local Government Finance Settlement. As a decision would not fit within the Cabinet reporting timeframe, Cabinet, at its meeting on 30 November 2015 agreed that the decision on whether Oldham Council should be part of the pooling arrangement could be delegated to the Cabinet Member for Finance and HR, in consultation with the Executive Director Corporate and Commercial Services and the Director of Finance. The Council confirmed its' pooling decision on 11 January 2016.

Business Rates Growth Retention

- 9.6 As a result of an initiative announced in the March 2015 Budget by the Chancellor of the Exchequer, the Greater Manchester and Cheshire East Business Rates pool has been asked to pilot a new scheme in 2015/16 for the retention of 100% of business rates growth. This complements the goal of achieving fiscal devolution for Greater Manchester. The Combined Authority has provided assurances that there are no downside financial risks for districts associated with the scheme.
- 9.7 The new scheme is working alongside the existing district and pooling arrangements for 2015/16. It is designed to capture all business rates growth across the city region without any additional downside risks that would be associated with reduced business rates income.
- 9.8 The new scheme has the following characteristics:
- Growth will be measured against an agreed baseline based on district NNDR1 returns (submitted to DCLG in January 2015);
 - After the current financial year, the growth baseline for future years will be adjusted to reflect the annual change in business rate multiplier (inflation) plus 0.5% as a stretch target for growth;
 - Income will be measured using NNDR3 outturn returns to DCLG adjusted for changes in provisions for appeals;
 - To maximise the potential for growth, additional income will be measured on a district by district basis;
- 9.9 It has been anticipated that additional growth of 1% per annum over and above the baseline and stretch target could generate over £35m to pool members in three years, but as yet, there are still on-going discussions to determine how any additional income would be allocated and invested to promote growth priorities within the region.
- 9.10 Due to the on-going discussions, Cabinet agreed at its meeting on 30 November 2015 to endorse and agree the Business Rates retention scheme and to delegate authority to the Cabinet Member for Finance and HR, in consultation with the Executive Director Corporate and Commercial Services and the Director of Finance to work with the GMCA Treasurer and other district Treasurers to finalise the detailed arrangements for the operation of the scheme.
- 9.11 As with the standard business rates pooling process, it will be July 2016 before the actual value of any 2015/16 benefits can be finally calculated given the complexities of the methodology used and the requirement for a reconciliation of the business rates position between Councils and the DCLG. A report will be requested from the GMCA detailing how any additional revenues generated will support the promotion of Greater Manchester's growth and reform strategies. This pilot will also run alongside business rates pooling in 2016/17.

Devolution

- 9.12 As highlighted in section 1 of this report, devolution will clearly have a significant impact on the management and financing of the Council going forward, however at this stage of the budget process a neutral position is assumed. In addition, the Council will have access to a share of the Transformation Fund for Adult Social Care but this is also being treated as financially neutral. There is still a substantial amount of work to take place to finalise all the devolution arrangements and this will be reported to Members during 2016/17.

Greater Manchester Waste Disposal Authority (GMWDA)

- 9.13 The GMWDA approved its 2016/17 budget and levies to the Greater Manchester Districts on 12 February 2016. Oldham's levy for 2016/17 was set at £15.897m which is a reduction of £0.676m from the 2015/16 levy of £16.573m. As the budget has so far relied on the use of £195k to offset an increase in the GMWDA levy, it is now appropriate to remove the use of the reserve. This results in £0.481m more resources than had previously been considered available to finance the levy. However, £4k of this resource has been utilised to offset the other increases in levies and contributions as outlined in paragraphs 9.14 to 9.17, leaving £0.477m available.
- 9.14 This £0.477m will be retained within the levy budget for 2016/17 as there is a likelihood that there will be additional charges from the GMWDA in year. In this regard Members will recall that the month 8 revenue monitoring report approved at Cabinet on 11 February advised that charges to date in 2015/16 were £249k.

Greater Manchester Combined Authority (GMCA)

- 9.15 The GMCA met on 29 January 2016 and approved its budget for 2016/17. Oldham's Transport for Greater Manchester (TFGM) levy was set at £15.848m which is £0.489m lower than levied in 2015/16. However, this is offset by an increase in the GMCA non-transport budgets as the contribution for other services increased from £0.351m to £0.835m.

Environment Agency

- 9.16 On 8 February 2016 the Environment Agency published its confirmed levy figures for 2016/17. Oldham's levy will increase slightly by £0.001m to £0.101m in 2016/17.

Association of Greater Manchester Authorities (AGMA)

- 9.17 On 29 January 2016 the Council contribution for AGMA services was set at £0.599m which is a £0.008m increase on the 2015/16 level.

Net Impact of Levies/Contributions

- 9.18 The table below advises that taking all the information set out at 9.13 to 9.17, £0.195m is available to offset the use of reserves that had anticipated to support the GMWDA levy in 2016/17 and hence to support the overall budget position.

Table 17 – Comparison of Levy Contributions

Levy/Contribution	Expected Position £m	Budgeted Position £m	Difference £m
GMWDA	16.573	16.374	(0.199)
GMCA - TFGM	16.337	15.848	(0.489)
GMCA – Non Transport	0.351	0.835	0.484
Environment Agency	0.100	0.101	0.001
AGMA	0.591	0.599	0.008
Total Change to Levies/Contributions	33.952	33.757	(0.195)

10 Position after all Funding and Budget Resilience Issues that may Impact on the Budget are Considered

- 10.1 Pulling all the current information together about increased useable resources (£7.740m) and revisions to budget (£2.647m), results in the availability of £5.093m to address budget issues as shown in the table below. This sum would be higher, but the Council is mindful that the increased allocation of Independent Living Fund grant support (£0.828m) is subject to a consultation process and may therefore be withdrawn. A prudent approach has been adopted with the net £0.508m of funds not previously anticipated and therefore not included in the report presented to Cabinet (ILF grant increase less the adjustment to Central Education Support Grant of £0.324m and small revision to levies/contributions), being held pending the outcome of the ILF consultation process (not expected until after the start of 2016/17).

Table 18 – Net Additional Funding Available

Changes to funding after the Local Government Finance Settlement and Revision to Estimates	Expected Position £m	After Settlement £m	Difference £m
General Government Grants – Settlement	10.956	10.646	(0.310)
Small Business Rates Relief Grants	1.369	1.508	0.139
Settlement Funding Assessment	93.338	99.140	5.802
Total Change – Government Grants and SFA	105.663	111.294	5.631
Council Tax for Council Use	76.485	77.073	0.588
2% Adult Social Care Precept	0.000	1.515	1.515
Collection Fund Surplus	0.196	0.196	0.000
TOTAL CHANGE TO COUNCIL RESOURCES	182.344	190.078	7.734
Parish Precept – Ringfenced to Parishes	0.239	0.245	0.006
TOTAL CHANGE TO FUNDING	182.583	190.323	7.740
Parish Precept – Ringfenced to Parishes	0.239	0.245	0.006
Pay Award	0.917	0.950	0.033
Fair Employment Charter - Adult Social Care National Living Wage	0.600	2.700	2.100
CHANGE TO EXPENDITURE	1.756	3.895	2.139
Budget held Pending the Outcome of ILF Consultation			0.508
TOTAL CHANGE TO BUDGET			2.647
Net additional funding available			5.093

- 10.2 The availability of this additional resource means that there is no requirement to find additional budget reductions of £1.955m to bridge the budget gap.

11 Further Budget Resilience Issues

- 11.1 Since the budget reduction target was revised in October, other budget resilience issues have arisen which can now be financed by other than one off means or additional budget reduction proposals. The additional resilience issues are shown in the table below and explained in the following paragraphs.

Table 19 – Budget Issues to be Addressed

Budget issues to be addressed	2016/17 £m	2016/17 £m
- Removal of previously stated budget reduction requirement		1.955
Budget Resilience Issues:		
- Social Worker Retention	0.091	
- Social Care Redesign	0.380	
- Children's Social Care Commissioning	0.200	
- Car Parking Income	0.243	
- Market Rental Income	0.350	
- Coroners Service	0.100	
- Early Years Commissioning	0.183	
- School Places and Planning	0.150	
- Deprivation of Liberty Safeguarding	0.375	
- Impact of Public Health Grant Reduction	0.510	
- Early Help	0.375	
- Special Educational Needs Grant – Local Ringfencing	0.181	
Total Budget Resilience Issues		3.138
Value of Budget Issues Addressed		5.093

- 11.2 Base budget issues to be addressed are:

a) Social Worker Retention

The Council is aware that there have been difficulties in retaining qualified Social Workers and has therefore agreed measures aimed at providing retention incentives and maintaining social work capacity. This will cost £91k in 2016/17 rising to £182k in 2017/18.

b) Social Care Redesign

A two-year funding allocation is required for 2016/17 (£380k) and 2017/18 (£385k) to implement a number of proposals in respect of Children's Social Care Services which are driven by the Ofsted inspection of children in need of help and protection, looked after children and care leavers and the subsequent requirement to produce an 'Improvement Plan'.

c) Children's Social Care Commissioning

The Council is aiming to reduce its costs of commissioning Children's Social Care, and is implementing measures in this regard. Resources of £200k will address demand pressures highlighted in the month 8 budget monitoring report which cannot otherwise be absorbed.

d) Car Parking Income

This budget pressure has already been identified in the month 6 and month 8 2015/16 revenue monitoring reports. The main factors are the closure of Hobson Street Car Park, reduction in off street parking income and reduction in penalty notice income.

e) Market Rental Income

Markets rents income has been under pressure for some time, therefore the opportunity is being taken to use £350k to restructure rents to allow market rents to be pitched at realistic levels and enable indoor market traders to trade competitively. This resource is to allow rent reductions for existing indoor stall holders and not to make good income lost through vacancies.

f) Coroners Service

This £100k pressure has already been identified in 2015/16 revenue monitoring. The Council receives Coroners Services via an agreement with two other Councils. The main factor causing the pressures is that more inquests are taking place thus increasing this external charge.

g) Early Years Commissioning

There have been growing pressures within the Early Years and Placement services due to the increasing number of children classified as High Needs. It is expected that there will be continued growth in children being categorised as High Needs and these pressures will need to be managed, hence inclusion of resources of £183k.

h) School Places and Planning

There continues to be pressures on Out of Borough placements which cannot be absorbed by other actions and this is expected to continue, requiring £150k of additional resources.

i) Deprivation of Liberty Safeguarding

This allocation of £375k is needed to meet an increased volume of activity in relation to ensuring the Council is continuing to undertake its responsibilities under the Mental Health Act 2005 with regard to Deprivation of Liberty Safeguarding following a recent Supreme Court judgement.

j) Impact of Public Health Grant reduction

This allocation of £510k will assist in meeting the impact of Public Health Grant reductions which have now been confirmed.

k) Early Help

The £375k will contribute towards the full year cost of early intervention and prevention with mental health clients that will reduce demand and therefore expenditure on secondary mental health provision, realising savings in the longer term.

l) Special Educational Needs

The £181k reflects the 2016/17 allocation of the unringfenced SEND grant by Government which had not previously been anticipated. In accordance with previous practice, this will be locally ringfenced to support the services for which the funding was allocated.

12 Impact of the Decisions of Precepting Authorities

- 12.1 Whilst the spending decisions of precepting Authorities do not affect the level of resources available to the Council, they do affect the amount of Council Tax that is charged to Oldham citizens. The major preceptors are the Police and Crime Commissioner for Greater Manchester (PCCGM) and the Greater Manchester Fire and Rescue Authority (GMFRA).

GMFRA

- 12.2 The GMFRA held its' budget setting meeting on 11 February 2016 and agreed to increase the precept by 1.99% for 2016/17. This results in an increase of £1.14 to their Band D level from £57.64 in 2015/16 to £58.78 in 2016/17.

PCCGM

- 12.3 The PCCGM approved its' budget for 2016/17 on 16 February 2016 and agreed to increase the precept by £5. This results in an increase in the Band D Council Tax from £152.30 to £157.30.

Parish Precepts

- 12.4 Saddleworth Parish Council agreed its 2016/17 budget and parish precept at a meeting on 25 January 2016. A freeze in the Council Tax charge was agreed with Band D Council Tax remaining at £19.35. The total precept will therefore be £162,327.15

- 12.5 The Shaw and Crompton Parish Council agreed its 2016/17 budget and parish precept at a meeting on 8 February 2016. It agreed to increase its charge by £0.59 (3.9%) to £15.70 resulting in a total precept of £83,288.50.

Council Tax – Draw on the Collection Fund

- 12.6 Taking account of Council Tax and Adult Social Care precept assumptions, the sums to be drawn from the Collection Fund for Council Tax for 2016/17 are:-

Table 20 – Draw on the Collection Fund

Precepting Body	£m
Oldham Council including Social Care Precept	78.588
PCCGM	8.558
GMFRA	3.198
Saddleworth Parish Council	0.162
Shaw & Crompton Parish Council	0.083
TOTAL	90.589
Less: contribution from Parish Taxpayers	(0.245)
TOTAL Draw on Collection Fund for Major Preceptors	90.344

12.7 The Band D Council Tax for 2016/17 is therefore proposed as follows:-

Table 21 – Band D Council Tax

Council Tax Raising Body – Precepts to be Confirmed	2015/16 Council Tax	2016/17 Council Tax	Change
	£	£	%
Oldham	1,392.95	1,444.48	3.70
PCCGM	152.30	157.30	3.28
GMFRA	57.64	58.78	1.99
TOTAL BAND D COUNCIL TAX	1,602.89	1,660.57	3.60
Saddleworth Parish Council	19.35	19.35	0.00
Shaw & Crompton Parish Council	15.11	15.70	3.90

This Council Tax information is set out in more detail at Appendix 10.

12.8 Taking all information into account the position thus implies an overall budget strategy as follows:

Table 22 – Overall Budget Strategy

Budget Strategy	£m
Directorate budget requirements	206.367
Budget Reduction Proposals excluding use of reserves (overall total £16.044m)	(15.714)
Budget for 2016/17 before use of reserves	190.653
<u>Less Government Funding</u>	
Business Rates Top Up	30.237
Revenue Support Grant	40.543
ILF Grant	2.841
Housing Benefit Administration Grant	1.056
Council Tax Administration Grant	0.330
Central Education Support Grant	2.505
New Homes Bonus Grant	2.767
Multiplier Cap Grant	0.966
SEND Grant	0.181
Small Business Rates Relief Grant	1.508
	107.719
<u>Less</u>	
Retained Business Rates	28.360
Collection Fund Surplus	0.196
Parish Precepts	0.245
	78.918
<u>Add Precepts</u>	
PCCGM	8.558
GMFRA	3.198
Total Council Tax including Levies (A)	90.674
Current Council Tax, adjusted for Tax Base (B)	90.344
Difference (A-B)	0.330
This additional expenditure is being funded by resources from appropriations from earmarked reserves	

13 2016/17 Budget Reductions

- 13.1 As highlighted above, there is no need to find additional budget reductions of £1.955m to achieve a balanced budget position in the light of the LGFS and other changes, with the £16.044m of budget reduction proposals sufficient to address the budget gap. However, to achieve the £16.044m there are still £5.077m of budget reduction proposals to be considered. Attached at Appendix 1 is the summary of deferred Tranche 1 budget reduction proposals totalling £1.193m with detail provided at Appendix 2.
- 13.2 Appendix 3 summarises the budget reduction proposals deferred from Tranche 2 totalling £1.244m with detail provided at Appendix 4.

- 13.3 Appendix 5 summarises the Tranche 3 budget reduction proposals totalling £2.640m with detail provided at Appendix 6 including Equality Impact Assessments (EIAs) where necessary. These are being presented to Council for the first time.
- 13.4 A balanced position can be demonstrated for 2016/17 if all proposed budget reductions totalling £16.044m are approved. This is set out in Table 23. It should be noted that £15.714m of proposals represent reductions in expenditure whilst £0.330m of budget reductions utilise reserves.

Table 23 – Budget Reduction Proposals

Budget Reductions	£m	£m
Budget Reduction Proposals yet to be Approved		
- Tranche 1 – Appendix 1	1.193	
- Tranche 2 – Appendix 3	1.244	
- Tranche 3 – Appendix 5	2.640	
Total for Approval		5.077
Budget Reductions Approved November 4 Council	5.974	
Budget Reductions Approved December 16 Council	4.993	
Total Approved – Appendix 7		10.967
Overall Budget Reduction Position		16.044
Represented by:		
- Budget Reduction Proposals reducing expenditure		15.714
- Budget Reduction Proposals using reserves		0.330
Budget Reduction Position – Appendix 8		16.044

- 13.5 If all budget reductions were approved, the revised revenue budget position would therefore be presented as set out below:

Table 24 – Estimated 2016/17 Revenue Position

Estimated revenue position 2016/17 at January 2016	2016/17 £m
Prior Year Net Revenue Budget 2015/16	207.412
In Year Adjustment to Base Budget	(11.417)
Adjustment to Base Budget - Capital Financing	(4.804)
Adjustment to Base Budget - New Burdens ILF Grant	2.013
Adjustment to Base Budget – Subject to Consultation	0.508
Revised Base Position	193.712
Expenditure Pressures/Amendments:	
- Pensions	0.263
- Pay Award	0.950
- Inflation	1.110
- Business Plan	1.005
- Increase in NI Charges	2.100
- Fair Employment Charter - Adult Social Care - Impact of National Living Wage	2.700
- Demand Pressures OCS Pensions	0.200
- Achievement of Earlier Years Budget Reduction Proposal	0.196
- Additional ILF Expenditure	0.987
- Revised Parish Precept	0.006
- New Budget Resilience Issues	3.138
Total Budget Pressures/Resilience Issues	12.655
- Less Budget Reduction Proposals	(15.714)
Total Expenditure	190.653
Funded By:	
- Business Rates Top Up	30.237
- Revenue Support Grant	40.543
- ILF Grant	2.841
- Housing Benefit Administration Grant	1.056
- Council Tax Administration Grant	0.330
- Education Services Grant	2.505
- New Homes Bonus Grant	2.767
- Multiplier Cap Grant	0.966
- Small Business Rates Relief Grant	1.508
- SEND Grant	0.181
Total Government Grant Funding	82.934
- Retained Business Rates	28.360
- Council Tax Income	77.073
- Adult Social Care Precept	1.515
- Parish Precepts	0.245
- Collection Fund Surplus	0.196
Revised Budget Funding	190.323
Net Gap/Budget Reduction Requirement	0.330
Approved Use of Reserves (Budget Reductions)	(0.330)
Net Gap/Budget Reduction Requirement (After Use of Reserves)	0

13.6 Appendix 11 sets out the anticipated 2016/17 budget in more detail by Directorate area, having regard to all the information contained in this report including Government grants, Council Tax and Business Rate income and budget reductions.

14 Budget for 2017/18

14.1 The financial year 2017/18, is the second year of the two year budget setting timeframe that the Council has been working to. The initial estimate for budget reductions was £29.903m which was subsequently reduced to £25.200m. As can be seen from Table 26, this has reduced still further by £4.736m to £20.464m, having regard to information in the LGFS and other changes. The £4.736m reduction is set out in the table below and explained at 14.2 and 14.3 comprising an overall increase in budget resilience issues of £10.858m, an increase in funding of £15.344 and £0.250m additional use of reserves (Budget Reduction Proposal D018 – Income from Deed of Variation).

Table 25 – Change in the 2017/18 Estimates

Changes to 2017/18 Estimates	Initial Estimate £m	Revised Estimate £m	Change £m
- Increase in Base Budget	182.778	190.536	7.758
- Increase in National Insurance	0.065	0.000	(0.065)
- Levies	1.544	1.732	0.188
- Adult Social Care – Impact of National Living Wage	1.030	2.445	1.415
- Other Social Care Pressures - Care Act 2014	0.000	0.716	0.716
- Social Care Budget Issues	0.000	0.096	0.096
- Coroners Budget Issues	0.000	0.100	0.100
- Apprentice Levy	0.000	0.400	0.400
- Business Plan	0.500	0.750	0.250
Total Budget Resilience Increase	185.917	196.775	10.858
Less:			
- Increase in Government Grant	60.596	71.090	10.494
- Reduction in Retained Business Rates	29.980	29.868	(0.112)
- Increase Council Tax	77.938	79.107	1.169
- Improved Better Care Fund	0.000	0.716	0.716
- 2% Adult Social Care Precept	0.000	3.071	3.071
- Parish Precepts	0.239	0.245	0.006
Total Increase in Funding	168.753	184.097	15.344
Additional use of Reserves	0.000	0.250	0.250
Overall Change			4.736

14.2 Change to Budget Resilience Issues

The reasons for the change in budget resilience issues are:

a) Increase in Base Budget

This increase of £7.758m is a consequence of the revised position for 2016/17 and the increased level of resources that is available to support the budget.

b) Increase in National Insurance Costs

A review of the impact of the change in pension legislation has determined that the increased National Insurance cost will be wholly dealt with in 2016/17 and that the anticipated £65k cost pressure in 2017/18 can be removed.

c) Levies

Initial estimates of £1.544m have been revised to £1.732m following the release of updated forecasts from GMWDA

c) Adult Social Care – Impact of National Living Wage

The notification of the National Living Wage enabled the cost pressure it causes in relation to adult social care provision to be recalculated. It has been assessed that the allowance already made within 2017/18 budget estimates of £1.030m should be increased by £1.415m to £2.445m.

d) Other Social Care Pressures

Given the expected demands for the adult social care service, it is expected that costs will increase by £716k and these will be financed by the Improved Better Care Fund.

e) Social Care Budget Issues

The increased cost of £96k reflects the requirement to enhance support for 2016/17 budget issues of Social Worker Retention and Social Care Redesign.

f) Coroners Budget Issues

This increase in estimated expenditure of £100k reflects the continuing cost of the operation of the Coroners Service.

g) Apprenticeship Levy

An additional budget pressure for 2017/18 is the Apprenticeship Levy which is being introduced by Government as a charge to employers with a wage bill of over £3m. The aim of the levy is to provide funding to training opportunities for young people. The estimated cost to the Council is £400k.

h) Business Plan

It is estimated that an allowance of £750k (an increase of £250k) is required to finance service developments and new responsibilities that the Council will be expected to take forward.

14.3 Change in Funding

The reasons for the change in funding estimates are set out below:

a) Government Grant

Information received from Government via the LGFS has led to an increase in grant funding of £10.494m.

b) Reduction in Retained Business Rates

Retained Business Rate income is expected to be marginally lower than the initial projections given the anticipated on-going impact of business rate appeals.

c) Increase in Council Tax Income

The increase in Council Tax income reflects the policy of increasing Council Tax by up to 1.99% per year from 2017/18 together with the anticipated increase in Council Tax Tax Base, thus generating an anticipated £1.169m of extra resources.

d) Improved Better Care Fund

The Council expects to secure additional funding paid as a grant directly to the Local Authority. The funding commences 2017/18 and increases up to 2019/20. Part of the allocation is intended to compensate Authorities with a low Council Tax base that cannot secure sufficient resources from a 2% Adult Social Care precept.

It is assumed for planning purposes that £716k will be received and that the full improved Better Care Fund allocation will be required to meet additional social care pressures.

e) 2% Adult Social Care Precept

Council policy is now to increase the Council Tax by 2% with regard to the Adult Social Care Precept and utilise this to support adult social care, hence the generation of £3.071m additional resources. As this is a new development, it had not previously been included in budget projections.

f) Parish Precept

A consequence of the increase in the Council Tax Tax Base is the small increase in Parish Precept income, which will be passed onto the Parishes.

14.4 Table 26 sets out the anticipated budget position for 2017/18 having regard to the latest financial information. Clearly, this is still subject to change as budget setting for 2017/18 develops

Table 26 – Estimated 2017/18 Revenue Position

Estimated revenue position 2017/18	2017/18 £m
Prior Year Net Revenue Budget – 2016/17	190.323
Adjustment to Base Budget - One off reserves	0.250
Adjustment to Base Budget - SEND Reform Grant	(0.181)
Adjustment to Base Budget – Subject to Consultation	0.144
Revised Base Position	190.536
Expenditure Pressures/Amendments:	
- Pensions	1.474
- Pay Award	1.000
- Inflation	1.880
- Investment Fund	1.682
- Business Plan	0.750
- Levies	1.732
- End of Change to Terms and Conditions	2.000
- Fair Employment Charter - Adult Social Care - Impact of National Living Wage	2.445
- Other Social Care Pressures - Care Act 2014	0.716
- New Budget Resilience Issues	0.596
Total Budget Pressures/Resilience Issues	14.275
Total Expenditure	204.811
Funded By:	
- Business Rates Top Up	30.832
- Revenue Support Grant	30.428
- ILF Grant	2.748
- Housing Benefit Administration Grant	0.785
- Council Tax Administration Grant	0.297
- Education Services Grant	2.334
- New Homes Bonus	2.700
- Improved Better Care Fund Grant	0.716
- Multiplier Cap Grant	0.966
Total Government Grant Funding	71.806
- Retained Business Rates	29.868
- Council Tax Income	79.107
- Adult Social Care Precept	3.071
- Parish Precepts	0.245
Revised Budget Funding	184.097
Net Gap/Budget Reduction Requirement	20.714
Approved Use of Reserves	(0.250)
Revised Budget Reduction Requirement	20.464
2017/18 impact of 2016/17 Budget Reductions	(0.309)
Gap to Find	20.155

Achievement of a Balanced Budget

- 14.5 The next stage in the two year budget process is to work towards finalising budget reductions for 2017/18 based on current projections. Work has already begun and will continue throughout 2016.
- 14.6 Clearly there is still a lot of work to do to address the remaining budget reduction target of £20.155m, after £309k of budget reductions for 2017/18 have been allowed for, having been included with the 2016/17 proposals. It is also evident that good foundations have been laid and the established working arrangements are successful. Proposals to address the budget reduction target remaining gap for 2017/18 will be considered via the Leadership Star Chamber process and brought forward for detailed review and scrutiny during 2016/17.

15 The Medium Term Financial Strategy (MTFS)

- 15.1 The Medium Term Financial Strategy is a core part of the Council's strategic framework and has a vital role to play in enabling the translation of the Council's ambition and priorities into action. This Medium Term Financial Strategy (MTFS) principally focuses on taking a forward look over a five year timeframe (2016/17 to 2020/21) at a range of major issues affecting the financing of Oldham Council.
- 15.2 The strategy considers:
- international and national economic influences on Oldham Council
 - local factors which influence policy within the Council including the Administrations priority of regenerating the borough and creating jobs
 - key Council policy areas
 - the influence of Central Government policy and strategy
- 15.3 The strategy brings together the key issues affecting the revenue budget, Housing Revenue Account budget, treasury management strategy, statement on the use of reserves, capital strategy and capital programme. It projects the level of available resources and budget pressures relating to both capital and revenue funding streams. It therefore highlights the budget challenges that will need to be addressed by the Council over the coming financial years. The MTFS is included in a further report presented to this meeting.

16 Fees And Charges

- 16.1 Attached at Appendix 13 are the proposed fees and charges for the 2016/17 financial year. An element of the charges have been uplifted following discussions with the Heads of Service, however a number are proposed to remain at the same level as last financial year.
- 16.2 At this stage where services have proposed to increase fees and charges, due to volatility, income budgets only increase if the change already forms part of a budget reduction proposal.

17 Options/Alternatives

- 17.1 Council can make comments on the budget reduction proposals/information included in this report and revise the budget reduction proposals/resource allocation outlined in this paper.

18 Preferred Option

- 18.1 That Council approves the budget, including the £5.077m of budget reduction proposals, and Council Tax levels proposed within this report.

19 Consultation

- 19.1 The presentation of these proposals forms part of the detailed consultation stage of the 2016/17 budget process.
- 19.2 Since 5 August 2015 the Council has been consulting the public about its budget challenge and about how we can work together to meet that challenge.
- 19.3 The Council commissioned an update of the short video used as part of the budget challenge campaign for 2015/16. This year we have focused on the need for co-operative working to help us reduce the impact of any reduction in services delivered by the Council. The video asked residents to get involved in an online discussion about how the Council should spend its budget and invited them to share their budget reduction ideas. The video was promoted via social media and the Council's website and since its launch on 5 August attracted more than 284,318 views.
- 19.4 To further share the scale of the budget challenge with residents, we are developing in-house a Value for Money video to highlight the cost of services and how this equates to the cost of Council Tax payments.
- 19.5 To ensure we do not exclude residents who do not use digital channels we have included budget messaging in our resident newsletter, Borough Life, distributed in October which offered a tear-off reply slip asking for feedback and ideas.
- 19.6 We are also engaging with staff about our budget challenge, requesting them to share their budget reduction ideas through an internal poster campaign, via the intranet staff forum and direct to the 'Ask the Chief' and Internal Comms mailboxes.
- 19.7 Wherever possible we will respond directly to comments and suggestions offering further information about Council spend and services.
- 19.8 Alongside the Council's public consultation around the 2016/17 budget challenge, we have also engaged in specific consultation around the budget reductions where there is an impact on the local community. Where appropriate the feedback received has been reflected in the EIAs. The website information around the proposals included a link to a 'mailbox' for additional comment. There has also been consultation with businesses and key partners including the Clinical Commissioning Group, provider organisations and the Voluntary and Community Sector (VCS).
- 19.9 In respect of public and user/carer consultation the Council's aim of reducing dependence on statutory services has been a factor particularly in instances where service users are more vulnerable.
- 19.10 Voluntary Sector partners have been actively involved in the work around reducing the commissioning and grant funding activity for VCS organisations.

20 Financial Implications

- 20.1 Dealt with in the detail of this report.

21 Legal Services Comments

- 21.1 The Council has a legal obligation to pass a resolution to pass its budget and Council Tax resolutions by March 2016. Appropriate statutory consultation is taking place in respect of the proposals. (Colin Brittain)

22 Co-operative Agenda

- 22.1 The Council will ensure that its budget setting process addresses the repositioning of the Council as a Co-operative Council linking to Oldham's ambition for a Co-operative Future.

23 Human Resources Comment

- 23.1 Tranche 3 options were presented to the unions on the 26 October 2015 for early engagement, with the S188 formal consultation meeting taking place on the 16 November 2015. This showed an additional 5.0 FTE post reductions specific to the Tranche 3 options in addition to those already shared with the unions in Tranches 1 and 2.
- 23.2 The S188 documents for T1 and 2 shows a potential 136.5 FTE job losses; thus a total of 141.5 job losses. It is anticipated that the number of compulsory redundancies will be mitigated by deletion of relevant vacancies and seeking voluntary options in the first instance.
- 23.3 Proper and meaningful consultation has to be exhausted in advance of the approval and subsequent implementation of any new arrangements. Where consultation had not been completed, these items were moved for final approval to this Council meeting in order to ensure meaningful consultation based on complete proposals takes place. As detailed in the report this will be the case for 2 x Tranche 1 options; namely E004 and C001, and for 4 x Tranche 2 options; namely D006, D007, E010 and E012a where due to either the complexity of the option has meant that staff consultations were not completed in time for approval at the nominated Council meeting. In addition the revised options also reduce the potential total job losses to 103.2 FTE.
- 23.4 As detailed in appendices 1, 3 and 5, these options account for 39.2 FTE of the potential job losses. Implementation of these options will not commence until after the Council meeting in February and it is therefore unlikely that full year reductions will be achieved where it is necessary to issue notice (up to 12 weeks) to those employees who have been selected for compulsory redundancy. In addition there are four of the options, namely C001 – Business Support, E004 Mental Health, E012 (a) - Adult Social Care and D007 – Day Care where proper minimum consultation will not have concluded by the Council date. In this instance Council meeting will need to approve the level of reductions to be achieved but note only the proposed method for doing so. Where necessary, budget reductions could be found in short term by alternative means whilst consultation continues to bridge any gap.
- 23.5 People Services and the HR Advisory Service within Unity will continue to work with the Directorates to ensure that the proper process is followed and that the staff and unions have the opportunity to share their views and have input on the final outcomes. (Sally Blackman)

24 Risk Assessments

- 24.1 The Council has a statutory obligation to set a balanced budget. This report sets out a number of options by which the Council proposes to set its budget for 2016/17. Failure to agree a balanced budget will expose the Council to the risk of future censure by its external auditors. (Mark Stenson)

25 IT Implications

- 25.1 Many of the budget proposals require the more efficient use of existing computerised systems. Any costs associated with any improvements to systems have been factored into the net budget reductions put forward.

26 Property Implications

- 26.1 Any impacts on asset management have been factored into the proposals identified or will be dealt with as part of the previously approved asset management strategy.

27 Procurement Implications

- 27.1 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.

28 Environmental and Health & Safety Implications

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

29 Equality, community cohesion and crime implications

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

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

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

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

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

- Be specific to each individual proposal;
- Be clear about the purpose of the proposal;
- Consider available evidence;

-
- Include consultation and involvement with those affected by the decision, where appropriate;
 - Consider proposals for mitigating any negative impact on particular groups;
 - Set out arrangements for monitoring the actual impact of the proposal.
- 29.4 The Equality Act 2010 extends the public sector equality duties to cover nine protected characteristics, namely:
- age,
 - disability,
 - gender,
 - gender reassignment,
 - marriage and civil partnership,
 - pregnancy and maternity,
 - race,
 - religion and belief and
 - sexual orientation
- 29.5 In December 2010, the Government announced that it would not be taking forward the socio-economic duty for public bodies. Despite this we have continued to consider people on low incomes as part of our equality impact assessment process.
- Oldham’s approach to assessing the impact**
- 29.6 Assessing the potential equality impact of proposed changes to policies procedures and practices is one of the key ways in which public authorities can show ‘due regard’. Equality Impact Assessments (EIAs), therefore, provide a structured framework which enables the Council to ensure that it considers the equality impact of decisions, and to demonstrate to others that it has done so.
- 29.7 Oldham’s EIA form is based on the experience of previous years and incorporates elements from good practice elsewhere. The main aims of our current EIA are to:
- strengthen the process through improved accountability – identifying a lead officer for each EIA;
 - stimulate a more rigorous and overt analysis of the impact and possible mitigations;
 - implement a stronger equality monitoring and management process to ensure that we follow through on what we said we would do. This includes identifying risks to implementation and how these will be managed.
- 29.8 Where complete, the final EIAs have been included. Where public consultation is currently ongoing, draft EIAs have been included for consideration. No EIA is considered complete until public consultation has finished.
- 29.9 The equality impact assessment process undertaken for the Council’s budget process involves:
- An initial equality impact screening – The budget proposal action plan forms completed by each Director / Service Manager incorporate an initial equality

screening to identify whether any proposal has the potential for significant disproportionate adverse impact in respect of any protected characteristic i.e. whether the impact of the proposal falls disproportionately on any particular group – such as people with a disability.

- The initial screenings are then independently reviewed by a small group with knowledge of the equality legislation, comprising of the Cabinet Member for Social Care and Safeguarding, a senior officer from the Co-operatives & Neighbourhoods directorate, a lawyer from the Legal Services team, two senior officers from Commissioning and a senior officer from People Services.

29.10 The key aims of this review process are to:

- assess the potential equality impact of each proposal using the information provided.
- provide challenge to those where the Group feel the initial screening does not accurately identify those equality groups potentially affected and that a further screening process needs to be completed.

29.11 Full equality impact assessment – An equality impact assessment is carried out if the initial screening identifies that the proposal could have a potential significant, disproportionate adverse equality impact.

Involving elected members

29.12 A key element to assessing the equality impact has been the involvement of elected members. This involvement has included:

- Cabinet Member for Social Care and Safeguarding sits on the Equality Challenge Group.
- Consideration of equality impact throughout the Leadership Star Chamber process, including through the initial screenings on the proposal forms and a briefing paper.
- Briefings between Executive Directors and Cabinet Members during development of proposals and working together to consider the equality impacts and identify any mitigating actions.
- Both the EIA screening information contained with the budget proposals and the EIA forms themselves, where available, are submitted to, and considered by PVFM Select Committee. NB: Where public consultation is required and is ongoing, the EIA forms are still in draft form at this stage.
- Final EIAs are made available to Members alongside the budget proposals in the Council papers.

29.13 The Council in adhering to the legal requirements is already completing EIAs and progress will be reported on these throughout the budget preparation as it was last year.

30 Equality Impact Assessment Completed

30.1 An equality impact assessment is carried out if the initial screening identifies that the proposal could have a potential significant, disproportionate adverse equality impact.

31 Key Decision

31.1 Yes

32 Key Decision Reference

32.1 CFHR-28-15

33 Background Papers

33.1 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 1 to 14
Officer Name: Anne Ryans
Contact No: 0161 770 4902

34 Appendices

34.1

Appendix 1 – Summary Tranche 1 Budget Reduction Proposals to approve
Appendix 2 – Detailed Tranche 1 Budget Reduction Proposals and EIAs in relation to Appendix 1
Appendix 3 – Summary Tranche 2 Budget Reduction Proposals to approve
Appendix 4 – Detailed Tranche 2 Budget Reduction Proposals and EIAs in relation to Appendix 2
Appendix 5 – Summary of Tranche 3 Budget Reductions to approve
Appendix 6 – Detailed Tranche 3 Budget Reduction Proposals and EIAs in relation to Appendix 5
Appendix 7 – Summary of Approved Tranche 1 and Tranche 2 Budget Reduction Proposals
Appendix 8 – Full Summary of 2016/17 & 2017/18 Budget Reduction Proposals
Appendix 9 – Calculation of Council Tax Tax Base
Appendix 10 – Council Tax Schedule
Appendix 11 – Indicative Budget Presentation 2016/17
Appendix 12 – 2016/17 Local Government Finance Settlement
Appendix 13 - Schedule of Fees and Charges
Appendix 14 – Pay Policy Statement

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Appendix 1
2016/17 & 2017/18 - Schedule of Budget Proposals

Deferred Tranche 1 Budget Reduction Proposals

Ref	Brief Detail	Responsible Officer	Cabinet Member	2016/17 (£'000)	FTE 2016/17	2017/18 (£'000)	EIA Required?	Appendix 2 Page No.
E004	Mental Health	Maggie Kufeldt	Cllr J Harrison	843	1.5	0	Yes	2
	Total - Health and Wellbeing			843	1.5	0		
C001	Business Support Redesign	Anne Ryans	Cllr A Jabbar	350	15.0	0	Yes	21
	Total - Corporate and Commercial			350	15.0	0		
	Total Budget Reduction Proposals (Tranche 1)*			1,193	16.5	0		

* Budget reduction proposal E007 (Workforce Redesign - £0.150m) now combined with budget reduction proposal E012a and included with Tranche 2 (Appendix 3)

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Appendix 2

**Deferred Tranche 1 Budget Reduction
Proposals**

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	E004
Portfolio	Health and Wellbeing
Directorate:	Health and Wellbeing
Division:	Adult Services
Responsible Officer and role:	Maggie Kufeldt, Executive Director, Health and Wellbeing
Cabinet Member and Cluster :	Cllr J Harrison, Health and Wellbeing Cluster

Title:	Mental Health
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£11,071k
	Income	(£3,625k)
	Net Expenditure	£7,446k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	40 staff paid for by LA, 135 staff all together within the integrated teams (Pennine Care)

	2016/17	2017/18
Proposed Financial saving:	843	0
Proposed reduction in FTE's	1.5	0

Section 3

<p><u>Background:</u></p> <p><i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i></p>	<p>This will be achieved by reviewing and re-designing Mental Health service provision, which will include;</p> <ul style="list-style-type: none"> • Reviewing care packages and reducing the cost of support provided to individuals where safe to do so • Improving outcomes for individuals by helping people to maintain their independence and promote recovery • Reviewing and remodeling or re-commissioning mental health services provided under contract, and working with the CCG to review and remodel mental health services across the health and social care economies • Reducing management and staffing costs where they can be achieved without an adverse impact upon service delivery and outcomes for people with mental health
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	problems
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>Review of Individual Mental Health Cases: £370k Revising the delivery model at Edward House: £100k Improving recovery rates and flow through services: £323k Reduction in contract price/staffing: £50k</p> <p>Total (2016/17) reduction: £843k</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>Some resources for review activity may be needed, as additional staff may need to be recruited to undertake client reviews.</p>
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Economic Impact Summary	
<p>Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i></p>	Cannot quantify at this stage – dependent upon commissioning model agreed
<p>Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i></p>	<p>Revising the delivery model at Edward House: £100k</p> <p>Reduction in contract price/staffing: £50k</p>
Type of impact on partners	Negative

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Community Mental Health team begin case reviews	July 2015 (ongoing as part of 2 year approach)
Review of staffing and management capacity completed	March 2016
Review of commissioned mental health services completed	September 2015
Redesign of service at Edward House completed	31 May 2016
Consultation on new delivery models completed (commissioned services)	Aiming for February 2016
Commissioned service redesign completed	31 May 2016

Mandatory – Completion of EIA & Consultation within PVFM timeline	Completed 12 January 2015 Reviewed September 2015
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Key Risks and Mitigations	
Risk	Mitigating Factor
Review of cases by community mental health team does not deliver the required financial savings	Head of Service to receive monthly progress reports including the volume of reviews completed and savings delivered/projected
Review of staffing and management capacity is delayed, reducing ability to achieve project objectives	Head of Service to put a plan in place with Pennine Care Mental Health Trust during January 2016 to ensure that management and staffing capacity is reviewed by March 2016
Commissioners do not have sufficient capacity to review mental health services	The review of mental health services will be a priority for the Council's lead commissioner. The Head of Service and Head of Commissioning will support and ensure sufficient capacity is available
NHS Commissioners do not engage with the review process	Senior management will negotiate an approach with the CCG to ensure shared understanding and commitment to achieving agreed objectives
Redesign of service at Edward House is not completed	Turning Point (the provider) has a plan in place to redesign the service and will monitor and report progress and issues to the Head of Service each month
Consultation on the new delivery models leads to challenge and delays	Active involvement of service users, their families, carers and other stakeholders from an early point in the project will reduce the risk of challenge. Proposals can be revised following consultation as may be needed to get the best outcomes
New delivery models are not implemented by March 2016	The detailed project plans will set out the steps required to develop and implement new delivery models. Contingency plans will be in place to ensure that new models are in place. Delays may necessitate phasing implementation. The Head of Service will work with commissioners to identify alternative approaches to delivering financial efficiencies and improving outcomes

Section 5

What impact might the proposal have on the following?

Property Implications *ie closures, maintenance costs, transfer of Assets, property savings, etc*

The provider of the service at Edward House has sourced alternative accommodation for the redesigned service and is working with the prospective landlord to obtain the necessary planning approvals to proceed. A memorandum of understanding between the Council and Turning Point is in place to set out risk sharing, roles and responsibilities etc.

The review of Highbarn for Mental Health rehabilitation services also has property implications; however this has been captured within the contracts template for adult social care.

Service Delivery and future expected outcomes:

Our intention is to provide people experiencing mental health problems with a broader range of help and support as early as possible, this and providing an enhanced rehabilitation and recovery offer, will support a reduction in demand for more costly secondary mental health care and support. Making better use of other preventative support options, such as talking therapies, peer/group support, and increased support in a community setting are some examples of the way in which this could be done.

We will work with NHS colleagues and people who use mental health services to redesign the way those services are delivered. Giving people with mental health problems more control over the support they receive will lead to better outcomes and reduce our costs in the longer term.

Organisation (other services)

Mental Health reviews constitute a wider approach to managing client reviews across adult social care, and this might have an impact on other client review work.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

Cannot quantify at this stage until further scoping has been undertaken – will be dependent on commissioning model agreed. It will be important to consider any changes to the mental health workforce within the context of wider work to review the social care workforce.

Communities

There should generally be a positive impact on communities as people are supported to retain, or regain their independence as quickly as possible, and receive the right care, at the right time.

Service Users

Packages of care will be reviewed and reduced where safe to do so.

Benefits to service users include;

- Preventing, reducing and delaying need for intensive mental health interventions
- Improving recovery rates
- Helping people to retain, or regain their independence as quickly as possible
- Reducing the rate at which people re-present to mental health services

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

The proposals will require close working with Pennine Care Mental Health Trust managers and staff, commissioners and providers of mental health services and other stakeholders (in particular the CCG) to agree the detailed project plan, performance and financial efficiency targets and delivery responsibilities. Engaging with Service users, families and carers will also be important when developing the future model and our commissioning approach going forward.

Section 6

Supplementary Information

None.

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	We will consult with and brief trade unions as a starting point when we have reviewed the mental health workforce. We will then consult on proposals for change with service users, their families, carers and other stakeholders to be completed by March 2016.
Staff Consultation	This will be required if staffing proposals require a reduction in posts, or a re-structure of the service.
Public Consultation	From 3 August 2015 to February 2016
Service User Consultation	Edward House services users are being consulted as part of changing the service model delivered from this establishment and this will continue until the implementation of the new service.

Any other consultation	N/A
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Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	Yes
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	No
People on low incomes	Yes
People in particular age groups	Yes – care reviews will also be undertaken within the Over 65 mental health community care budget
Groups with particular faiths/beliefs	No
Comment: People who experience mental health issues may also experience higher levels of deprivation, be on lower incomes or be out of work. Whilst people may receive support in different ways in future we do not anticipate there will be an adverse impact on any group with protected characteristics. For example, some people may receive support for a shorter period of time where we can improve outcomes by intervening at an earlier stage.	

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes
EIA to be completed by:	Colin Elliot
By:	26 October 2015

Section 9

Responsible Officer:	Maggie Kufeldt, Executive Director, Health and Wellbeing
Support Officer Contact:	Claire Hill
Support Officer Ext:	3125

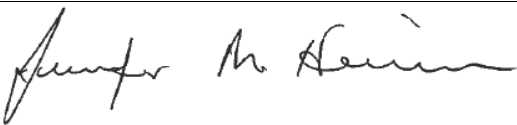
Cabinet Member Comments and/or approval
Approved

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	31 July 2015
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr J. Harrison Social Care and Safeguarding
Signed:	
Date:	31 July 2015

Approval by Supporting Cabinet Members

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

Equality Impact Assessment

E004: Mental Health

Lead Officer:	Colin Elliott
People involved in completing EIA:	Colin Elliott, Claire Hill
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	No

General Information

1a	Which service does this project, policy, or proposal relate to?	<p>C046 – Adult Social Services – EIA 8 – Mental Health</p> <p>This EIA relates to the provision of mental health services for adults, both over and under the age of 65.</p> <p>The Council's gross budget for mental health can be broken down as follows;</p> <ul style="list-style-type: none"> • Staffing - £2,427,603 • Community Care Budget – adults under 65 - £2,140,310 • Community Care Budget – adults over 65 - £5,710,230 • Contracts - £793,000 <p>Total gross budget: £11,071,143</p> <p>As part of our proposals to re-design this area of provision, we are planning to achieve the following reductions in expenditure during 2016/17:</p> <p>Review of Individual Mental Health Cases: £370k Revising the delivery model at Edward House: £100k Improving recovery rates and flow through services: £323k Reduction in contract price/staffing: £50k</p> <p>Total (2016/17) saving: £843k</p>
1b	What is the project, policy or proposal?	<p>The Council has operated co-located mental health services since 1992 and a single line management structure with Pennine Care NHS Foundation Trust since 2005, which includes integrated mental health</p>

teams for Adults (under 65) and Older People (over 65's).

We propose to reduce Council expenditure on mental health services by reviewing and re-designing Mental Health service provision, which will include;

- Reviewing care packages and reducing the cost of support provided to individuals where safe to do so
- Improving outcomes for individuals by helping people to maintain their independence and promote recovery
- Reviewing and remodeling or re-commissioning mental health services provided under contract, and working with the CCG to review and remodel mental health services across the health and social care economies
- Reducing management and staffing costs where that can be achieved without an adverse impact upon service delivery and outcomes for people with mental health problems

Our intention is to prevent, delay and reduce demand for traditional mental health treatment and care by intervening earlier and making sure people get the right help and treatment at the right time.

This approach will be beneficial for local people and is also strategically important; demand for mental health support is projected to increase in coming years as local authority budgets reduce. It is vital that we maintain a strong focus on preventing crisis, promoting mental health and wellbeing and, where people do experience mental ill health, help them to recover and live independently as soon as possible.

We will provide people experiencing mental health problems with a broader range of help and support as early as possible, this and providing an enhanced rehabilitation offer, will support a reduction in demand for more costly secondary mental health care and support. Making better use of other preventative support options, such as talking therapies, peer/group support, and increased support in the community are some examples of the way in which this could be done.

We will work with NHS colleagues and people who use mental health services to redesign the way those services are delivered. Giving people with mental health problems more control over the support they receive will lead to better outcomes and reduce our costs in the longer term.

1c	What are the main aims of the project, policy or proposal?	<p>The vision for adult care in Oldham is to ensure as many people as possible are enabled to stay healthy and actively involved in their communities for longer and to reduce, delay or avoid the need for targeted services.</p> <p>The main aims of the project support delivery of that vision and include:</p> <ul style="list-style-type: none"> • Ensuring that Oldham Council is able to discharge its duties under the Care Act (2014). • Ensuring that Oldham Council is able to respond effectively to adults in need of mental health assessment and support, and their carers, in light of projected increases in demand and reducing resources. • Improving our capacity to work with Oldham residents who are, or appear to be in need of support to promote their independence, prevent, reduce and delay need for support and to help local residents to achieve the best outcomes. • Improving our capacity and ability to work with carers and to take other approaches that will help us to prevent, reduce, and delay demand for traditional mental health services by intervening earlier and helping people to live as independently as possible in the community for as long as possible.
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	<p>People who experience mental health issues may also experience greater deprivation, be on lower incomes or be out of work.</p> <p>Whilst people with mental health related support needs may receive support in different ways in future we do not anticipate there will be an adverse impact on any group with protected characteristics. For example, some people may receive support for a shorter period of time where we can reduce need and improve outcomes by intervening at an earlier stage.</p> <p>We have clear criteria that we adopt around eligibility and wellbeing and the applied criteria can increase, as well as decrease a care package. The focus of reviews is upon people's assets and strengths, what they, with help from family and friends, can do for themselves rather than the more traditional approach of focusing mainly upon deficits and support needs.</p> <p>We will review the equality impact of our plans when they are finalised and will consider potential impacts upon all groups with characteristics protected under equality legislation.</p>

1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	X			
Particular ethnic groups	X			
Men or women (include impacts due to pregnancy / maternity)	X			
People of particular sexual orientation/s	X			
People in a marriage or civil partnership	X			
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	X			
People on low incomes				X
People in particular age groups				X
Groups with particular faiths and beliefs	X			
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
<i>E.g. vulnerable residents, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>		<input type="checkbox"/>	<input type="checkbox"/>	

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	<input checked="" type="checkbox"/>	

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1h	How have you come to this decision?	<p>We do not anticipate that revising the delivery of mental health support will result in any detrimental impacts upon groups with protected characteristics. However, the potential vulnerability of the client groups, which include individuals with multiple and complex needs for treatment and support, requires that a full equality impact assessment of our plans is completed prior to implementation.</p> <p>We are involving staff, the people that use our services and carers in developing our delivery models, our proposals will be revised in light of comments from</p>

	<p>those groups. Acting on stakeholder views will help us to ensure we are better able to respond to the needs of individuals, groups with protected characteristics (under equality legislation) and communities in Oldham.</p> <p>We will improve our capacity to respond to local need by targeting our resources more effectively and we will work with people to prevent, reduce and delay need for care and support by making better use of existing staffing and other resources.</p> <p>We have clear criteria that we adopt around eligibility and wellbeing and the applied criteria can increase as well as decrease care packages. The focus of reviews is upon people's assets and strengths, as well as the things they need help with, providing a balanced and rounded view of how best to help people to be as independent as possible.</p> <p>This Equality Impact Assessment has been conducted taking into account the information available to us at present. We will review and revise the content as may be needed in light of consultation which is currently underway with customers and their families. Any substantial revisions to the Equality Impact Assessment or to our plans will be reported to elected members in accordance with usual Council governance processes.</p>
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Stage 2: What do you know?

What do you know already?

Most people under the age of 65 in contact with Community Mental Health Teams are likely to have, or be recovering from a severe or enduring mental health condition. Many of the older people who use mental health services have dementia and may also have other mental and physical health related conditions.

Table 1 below shows the estimated prevalence of a number of mental illness conditions in Oldham compared to the values in England, Table 2 illustrates the volume of different categories of mental health related admissions to hospital in Oldham compared to national averages.

Whilst the data relates to periods between 2011 and 2014 it is unlikely that there has been a significant change in the relationship between Oldham's performance and average performance across the country. It is therefore probable that the prevalence of numerous mental health conditions and the volume of mental health related hospital admissions remain higher in Oldham than national averages.

This illustrates the scale of the challenge in promoting mental health and wellbeing in Oldham,

and also why it is so important to change the way we work to get better outcomes. Our intention is to provide people experiencing mental health problems with a broader range of help and support as early as possible, this and providing an enhanced rehabilitation and recovery offer, will support a reduction in demand for more costly secondary mental health care and support.

Table 1.

Prevalence indicator	Oldham Value	Number of people in Oldham using Census 2011 population	England Value
Percentage of adults (18+) with dementia (2011/12)	0.55	929	0.53
Percentage of adults (18+) with depression (2011/12)	12.49	21,026	11.68
Percentage of adults (18+) with learning disabilities (2011/12)	0.47	791	0.45
Percentage of young people (5-16) with any mental health disorder (2013)	10.11	3,738	9.60
Percentage of young people (5-16) with emotional disorders (2013)	3.88	1,435	3.70

Table 2.

Hospital Admissions			
Indicator	Age	Oldham Latest	England Latest
Attendances at A&E for a psychiatric disorder per 100,000 population	All ages	556.06	243.54
		2012/13	
Number of bed days per 100,000 population.	18+ yrs	4729.42	4685.94
		2013/14 Q1	
Emergency admissions for self harm per 100,000 population	All ages	202.90	190.99
		2012/13	
Hospital admissions for unintentional and deliberate injuries, ages 0-24 per 10,000 population	<25 yrs	160.22	116.03
		2012/13	
Schizophrenia emergency admissions: Rate per 100,000 population	18+ yrs	80.00 (2009/10 - 2011/12)	57 (2009/10-2011/12)
		2011/12	
Emergency Hospital Admissions for Intentional Self-Harm: Directly age-sex standardised rate	All ages	204.85	187.96
		2012/13	
Young people hospital admissions for self-harm: rate per 100,000 aged 10 - 24	10-24 yrs	398.23	352.26
		2010/11-2012/13	
Child hospital admissions due to alcohol specific conditions: rate per 100,000 aged under 18	<18 yrs	68.33	42.72
		2010/11-2012/13	
Young people hospital admissions due to substance misuse: rate per 100,000 aged 15 - 24	15-24 yrs	61.92	75.21
		2010/11-2012/13	
Child hospital admissions for unintentional and deliberate injuries: rate per 10,000 children 0-14	<15 yrs	164.16	103.83
		2012/13	
Young people hospital admissions for unintentional and deliberate injuries: rate per 10,000 young people 15-24	15-24 yrs	153.91	130.65
		2012/13	

	Value higher than England
	Value lower than England

What don't you know?

The World Health Organisation recognizes the impact of mental health on all aspects of people's lives in its definition of mental health:

'Mental health is not just the absence of mental disorder. It is defined as a state of well-being in which every individual realises his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to her or his community.'

There is a shift in the way mental health is now being considered. Whilst the prevention and treatment of people with mental health disorders is still important, it is acknowledged that promoting good mental health and wellbeing is wider than this and includes ensuring all people, not just those with a defined condition, are experiencing positive mental health and are therefore able to fulfil their potential in relation to academic achievements, productivity, and helping towards experiencing good physical health.

Whilst we have a good understanding of people who require social care and support as a result of mental ill health, earlier intervention (for example by All Age Early Help services) will lead to services working with people who in the past we would not have had contact with, unless their condition or situation worsened. We will monitor the impact on services and the outcomes achieved for individuals.

Further data collection

See comments above.

Summary (to be completed following analysis of the evidence above)

Does the project, policy or proposal have the potential to have a <u>disproportionate</u> impact on any of the following groups? If so, is the impact positive or negative?	None	Positive	Negative	Not sure
Disabled people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in a marriage or civil partnership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
People in particular age groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Are there any other groups that you think that this proposal may affect negatively or positively?				
<i>E.g. vulnerable residents, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>		<input type="checkbox"/>	<input type="checkbox"/>	

3e. What might the potential impact on individuals or groups be? <i>(think about disability, race, gender, sexual orientation, transgender, age, faith or belief and those on low incomes and other excluded individuals or groups)</i>	
Generic (impact across all groups)	Our proposals to review individual cases and improve the rate at which people move through mental health services will improve our capacity and ability to identify people in the community who may benefit from information, advice or support and to intervene earlier to prevent, reduce, and delay demand for traditional social care services by helping people to live as independently as possible in the community for as long as possible. We do not anticipate that our proposals will have a negative impact upon any section of the community. Making better use of our existing capacity and targeting our resources more effectively is likely to have a positive effect and improve our response to local residents who experience mental ill health.
Men or women (include impacts due to pregnancy / maternity)	We do not anticipate that our proposals will have any differential impact upon men or women. The Care Act requires that we are more proactive in identifying and responding to people who may not be in need of traditional social care and support. Earlier intervention and actively helping people to recover from mental ill health will help to achieve better outcomes.
People of particular sexual orientation/s	We do not anticipate that redesigning our services will have a differential impact upon people of particular sexual orientations.
Disabled people	Targeting our resources more effectively to intervene at an earlier stage to prevent, reduce or delay individuals' need for mental health related support is likely to have a positive impact upon disabled people. Our aim is to make sure we help people to live as independently as possible in the community for as long as possible.
Particular ethnic groups	We do not anticipate that redesigning our services will have a differential impact upon people of particular ethnic groups. However changing the way we work, to be more responsive to local people and more actively reviewing cases is likely to have a generally positive impact across all sections of the community.
People in a marriage or civil partnership	We do not anticipate that redesigning our services will have a differential impact upon people who are in a marriage or civil partnership. However changing the way we work, to be more responsive to local people and more actively reviewing cases is likely to have a generally positive impact across all sections of the community.
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender	We do not anticipate that redesigning our services will have a differential impact upon people who are proposing to undergo, are undergoing or have undergone a process or part of a process

reassignment	of gender reassignment.
People on low incomes	We do not anticipate that redesigning our services will have a differential impact upon people on low incomes. Changing the way we work, to be more responsive and intervene earlier with people is likely to have a generally positive impact across all sections of the community.
People in particular age groups	Taking a more proactive approach, intervening earlier and helping people to live as independently as possible in the community for longer will be of benefit to older people by promoting quality of life in old age and delaying the necessity for individuals to be placed in residential care.
Groups with particular faiths and beliefs	We do not anticipate that redesigning our services will have a differential impact upon groups with particular faiths or beliefs.
Other excluded individuals and groups (e.g. <i>vulnerable residents, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>)	Targeting our staffing and other resources more efficiently to make sure people get the right help at the right time and improving the journey through services will also improve our response to carers and other vulnerable and excluded groups.

Consultation information	
<i>This section should record the consultation activity undertaken in relation to this project, policy or proposal.</i>	
3a. Who have you consulted with?	<p>We will consult with service users, staff and wider stakeholders in advance of implementing our plans.</p> <p>As previously stated we do not anticipate that our proposals will have a detrimental impact on any groups with characteristics protected under equality legislation, or other excluded individuals or groups. We will finalise the equality impact assessment and our proposals, amending them as may be required following consultation.</p>
3b. How did you consult? (inc meeting dates, activity undertaken & groups consulted)	See above.

Stage 4: Reducing / mitigating the impact	
<i>As a result of what you have learned, what can you do to minimise the impact of the proposed changes on equality groups and other excluded / vulnerable groups, as outlined above?</i>	
4a. Where you have identified an impact, what can be done to reduce or mitigate the impact?	
Impact:	We do not anticipate that the redesign of the services will have a detrimental impact on any groups with characteristics protected under equality legislation, or other excluded individuals or groups.

	<p>We have clear criteria that we adopt around eligibility and wellbeing and the applied criteria can lead to an increase, as well as a decrease in support provided to individuals. The focus of reviews is upon people's assets and strengths, as well as the things they need help with. This provided the best chance of making sure people get the right support at the right time to help them to become as independent as possible.</p>
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<p>4b. Have you done, or will you do anything differently as a result of the EIA?</p>	
<p>As previously stated we do not anticipate that our proposals will have a detrimental impact on any groups with characteristics protected under equality legislation, or other excluded individuals or groups. We will review the equality impact assessment and our proposals, amending them as may be required following consultation with stakeholders. If there should be any significant emerging issues or changes to our proposals as the detail is developed or following consultation we will report them and our proposed response to elected members via established overview, scrutiny and cabinet mechanisms.</p>	

<p>4c. How will the impact of the project, policy or proposal and any changes made to reduce the impact be monitored?</p>	
<p>As stated above we will review and where necessary revise our proposals and, once implemented, will keep the arrangements, the outcomes they achieve and potential equality impacts under review.</p>	

<p>Conclusion <i>This section should record the overall impact, who will be impacted upon and the steps being taken to reduce / mitigate the impact</i></p>	
<p>Our approach to reducing mental health expenditure, by improving outcomes for individuals and the options available to them will enhance our ability to:</p> <ul style="list-style-type: none"> • Ensure that Oldham Council is able to discharge its duties under the Mental Health Act and the Care Act. • Ensure that Oldham Council is able to respond effectively to adults in need of mental health related assessment and support, and their carers, in light of projected increases in demand, reducing resources and new statutory duties. • Improve our capacity to work with Oldham residents who are, or appear to be in need of support to promote their independence, prevent, reduce and delay need for support and to help local residents to achieve the best outcomes. • Improve our ability to respond to social care need within groups with characteristics protected under equality legislation. • Improve our capacity and ability to prevent, reduce, and delay demand for traditional social care services by intervening earlier and helping people to live as independently as possible in the community for as long as possible. <p>We have clear criteria that we adopt around eligibility and wellbeing and the applied criteria can increase a care package as well as decrease. The focus of reviews is upon strengths and away</p>	

from the traditional deficit model of need and taking all circumstances into account.

At this stage there is no reason to believe that implementation of our proposals to reduce mental health related expenditure will have a negative impact upon any section of the population or upon groups with characteristics protected under equality legislation and we anticipate that there will be a positive impact arising from greater capacity to promote independence and wellbeing by intervening earlier with people who might otherwise require more intensive social care.

We will consult with stakeholders on our proposals and review the equality impact assessment and our proposals in light of that consultation.

This Equality Impact Assessment has been conducted taking into account the information available to us at present. We will review and revise the content as may be needed in light of consultation which is currently underway with customers and their families. Any substantial revisions to the Equality Impact Assessment or to our plans will be reported to elected members in accordance with usual Council governance processes.

Stage 5: Signature

Lead Officer: Colin Elliott, Assistant Director, Adult Services

Date: 8th January 2016

Approver signature: Maggie Kufeldt, Executive Director, Health and Wellbeing



Date: 8/1/2016

EIA review date: April 2016

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	C001
Portfolio	Finance and HR
Directorate:	Corporate and Commercial Services
Division:	Finance
Responsible Officer and role:	Anne Ryans, Director of Finance
Cabinet Member and Cluster :	Cllr A Jabbar, Finance and HR

Title:	Business Support Redesign
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£ 4,344k
	Income	£ (4,484k)
	Net Expenditure	£ (140k)
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	157.04

	2016/17 £k	2017/18 £k
Proposed Financial saving:	350	0
Proposed reduction in FTE's	15	0

Section 3

<p><u>Background:</u></p> <p><i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i></p>	<p>The Business Support Service provides support services to 62 services across the Council.</p> <p>The vision for the Business Support Service is to support the organisation to deliver customer focused services that improve the customer experience whilst reducing operational cost through effective end to end processes. This will be driven through the enablers of people, process and technology. The future delivery of the Business Support Service will be reviewed in order to deliver a £350k budget reduction.</p> <p>The Council had committed to consider which services could be transferred to the Unity Partnership with a view to the more</p>
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	<p>efficient, effective and economic delivery of the service. In this regard, Unity was asked to prepare a business proposal to support the Business Support service transfer at the same time as guaranteeing the delivery of a £350k budget reduction.</p> <p>When Unity Partnership investigated the Business Support Service transfer option, it developed a centralised solution to deliver the required budget reduction, however it was not able to put forward a proposal for the Council to review that would satisfy the Council's requirements and deliver the best long term value for money.</p> <p>As a consequence, the option to transfer the Business Support Service (BSS) to Unity has been formally closed. The alternative, an in house solution to provide a budget reduction requirement of £350k has now been prepared.</p>
<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc.</i></p>	<p>The saving anticipated is £350k and comprises the following:</p> <ul style="list-style-type: none"> (i) A reduction in supplies and services expenditure of £100k – this has already been identified (ii) The remaining £250k saving, comprising: <ul style="list-style-type: none"> • reduction in postages related expenditure – potential £100k • tactical staff changes – potential £150k <p>There may be further transformational opportunities coming out of the work undertaken to date – these will be jointly explored between the Council and Unity, through workshop/s to be held in later in the year.</p> <p>BSS had already done some work to identify areas where it could make tactical staff changes prior to the withdrawal by Unity. These changes have been discussed and agreed with service areas and a developed set of proposals to achieve the required savings have now been identified. Consultation on these proposals with Unions & staff started on 04/02/2016 and is due to complete on 28/03/2016.</p>
<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc. , variations to budget</i></p>	<p>There is a cost of change of £36K that will be incurred in 2015/16 which is required to deliver the anticipated £100K p.a. reduction in postages related expenditure from 2016/17 onwards. The cost of change will be funded from a combination of existing budgets and by implementing some of the changes in the last quarter of 2015/16 which will allow the early realisation of savings.</p>

Economic Impact Summary	
<p>Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i></p>	<p>The tactical staff changes entailed the consideration of service delivery, the number of posts required to effectively meet the demands of directorate functions, including deletion of vacant posts and reduction of agency cover. In order to achieve economies of scale, service requirements will need to be given due consideration where functions are reducing and the necessity of business support will mirror this.</p> <p>The detail will require further discussions with service leads in order to minimise disruption across the service. The finalised proposals entail the deletion of 10 vacant posts and 1 vacant post will be frozen as part of this exercise and in some areas a mini-restructure will be undertaken to align teams and maximise management capacity.</p> <p>The respective staff within the Business Support service and the trade unions are being kept fully informed of any developments. Formal consultation with staff and the trade unions started on 04/02/2016 and is due to end on 28/03/2016.</p>
<p>Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i></p>	None apparent
Type of impact on partners	Not Known

Section 4

<u>Key Milestones</u>	
Tactical Staff Changes	
Milestone	Timescale
Formal withdrawal of Unity proposal	15 December 2015
Engagement of Directors, Heads of Service & Service managers on options re tactical staff changes	16 December 2015 to 2 nd week of January 2016
Unity – BSS workshop to review findings from Unity work	13 January 2016
Finalise agreed set of tactical staff changes	Last 2 weeks of January
Staff & TU Consultation & Briefing sessions	04/02/2016 – 28/03/2016
Phased Implementation of tactical staff changes	From April 2016 onwards

Post Room Project	
Project Start-Up Phase: Project brief complete.	17 December 2015
Planning Phase Detailed business case complete.	27 January 2016
Delivery Phase (Nb. May need to factor in additional time allowance for procurement, to be determined following planning phase)	
• Staff briefing	04/02/2016 – 28/03/2016
• Consultation with impacted staff undertaken	04/02/2016 – 28/03/2016
• Transition to final service delivery model complete	March 2016
Closure Phase	
• Project closure report complete.	31 March 2016

Key Risks and Mitigations	
Risk	Mitigating Factor
Council Directorates not willing to accept a 'pay as you use model' for some, or all, of the post room services currently centrally funded by the Business Support Team within the Council.	Clear evaluation of services currently provided, identify alternative options around service provision (outsource) – consultation across service users
There is a risk that the FTE reduction required to meet the 2016/17 target cannot be agreed with customers	Early engagement with stakeholders, regular communication
There is a risk of double counting of savings between this proposal and other proposals	Support from Finance to identify potential overlaps and then discussion and regular engagement other leads
Managing staff morale through the period of uncertainty and ensuring no degradation of service	Ensure strong comms in place and support on change readiness levels of staff from the People Service

Section 5

What impact might the proposal have on the following?

Property Implications <i>i.e. closures, maintenance costs, transfer of Assets, property savings, etc.</i>
None apparent

Service Delivery and future expected outcomes:
The Business Support Service is a key enabler for services across the Council, supporting them to achieve their objectives and targets. Service delivery will continue but with reduced resource levels there may be imitations to the flexibility and range of services offered.

There will be a re-design of the service offer from the new Business Support Service and it will be critical that the new model and emerging service offering is not seen as a degradation of service standards, but rather an evolving set of new ways of working and alternative method of service delivery frameworks, that need to be embraced under the new ways of working agenda.

Some of the vacant posts to be deleted are currently covered by staff on fixed term contracts or agency staff. Most of such staff will exit the organisation at the end of March 2016 or sooner, so there will be an overall capacity reduction across the service which will need to be managed and monitored.

Organisation (other services)

The proposal will support other services to improve and streamline their service delivery. However, as other services are undergoing redesign there could be a direct impact on the Business Support Service and on the proposals outlined in this document.

It has already been identified that the delivery of this proposal could be impacted by other 2016/17 budget proposals. This is being managed through consultation with Service Managers.

Success of this proposal is highly dependent on a number of infrastructure issues such as new ways of working, promoting self-service across a range of Council services as part of the organisational culture, adoption of new technology around mobile working and the maximisation of scanning & indexing solutions corporately.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

There will be an impact on the workforce:

- There will be the reduction in the FTE establishment for Business support. 10 posts will be deleted and one will be frozen.
- The development of bespoke service provision and change of tasks to meet future service needs may require staff to develop new skills.
- Reductions within services supported could place additional pressure on reduced BSS resource.
- Staff morale and expectations will need to be managed. Change readiness support will be required as part of the transformation and transition periods.

Communities

As the service is an internal business support function, there are no apparent direct implications for communities. However, given the intrinsic nature of business support with the services that they support there could be potentially indirect implications for front line services that impact the community. Part of the role of the project team will be to mitigate any such negative implications.

Service Users

Service users should see a minimal impact in terms of the outcomes to be delivered by the service as customers will be given the opportunity to prioritise the support delivered.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

The full impact on partners will be determined as the programme of work is developed.

Partners will be required to assist in unlocking reductions. They will need to be heavily involved in process and procedure redesign. Initial analysis indicates a direct impact on:

1. NHS, particularly Mental Health Services for Adults.

The redesign may affect the integrated business support team based at Maple House and will affect both organisations. This will mean increasing pressures when undergoing the transition. The Trust is also embarking on a review of their business support functions and we have agreed to make decisions in partnership where possible. There needs to be agreement in integrating as much as possible as there is currently significant duplication of activity.

2. Police

The Police may also be affected by any redesign proposals in relation to support for the Community Safety and Neighbourhood Teams. They will be consulted on any redesign activity.

There may be an indirect impact on partners working with the Integrated Commissioning Hub, when redesigning business support we need to ensure that support for the hub enables the organisation and its partners to improve outcomes and reduce costs where possible.

Section 6

Supplementary Information

None.

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation

The Trade Unions have been engaged and kept up to date on developments with the Unity business case and they have been briefed on the decision of Unity not to proceed with the submission of a detailed business case. Arrangements have been put in place for regular

	updates to be provided at future DCG meetings, and the TUs have been fully involved in the consultation process which started on 04/02/2016 and is due to be completed on 28/03/2016.
Staff Consultation	Staff consultation timeline started at the beginning of September 2015 and BSS staff have been kept up to date on developments with the Unity Business case and they have been briefed on the decision of Unity not to proceed with the submission of a detailed business case. Detailed & formal staff consultation started on 04/02/2016 and will be completed on 28/03/2016.
Public Consultation	Not required
Service User Consultation	Senior Council managers have been engaged across a range of service areas throughout December 2015 on the proposed options re tactical staff changes and this continued for the 1 st two weeks of January 2016 after which we achieved sign-off of the proposed tactical staff changes by service departments.
Any other consultation	Not applicable

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	Yes
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	No
People on low incomes	Yes
People in particular age groups	Yes
Groups with particular faiths/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes
EIA to be completed by:	Bola Odunsi
By:	15 February 2016

Section 9

Responsible Officer:	Anne Ryans , Director of Finance
----------------------	----------------------------------

Support Officer Contact:	Bola Odunsi
Support Officer Ext:	4905


Cabinet Member Comments and/or approval
Approved

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	15 February 2016
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr A Jabbar
Signed:	
Date:	

Equality Impact Assessment

C001: Business Support Redesign

Stage 1: Initial screening

Lead Officer:	Bola Odunsi
People involved in completing EIA:	Bola Odunsi
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	No Date of original EIA: 24/10/14

General Information

1a	Which service does this project, policy, or proposal relate to?	Business Support Services Redesign (C001). This EIA is a second year update of the proposal D017 which was approved for 2015/16.
1b	What is the project, policy or proposal?	<p>This EIA relates to budget proposal C001 (Business Support Redesign) this will deliver a budget reduction of £350k in 2016/17.</p> <p>The total budget for the service is</p> <p>Expenditure: £4,344,480 Income: £4,484,480 (recharges) Net Budget £ (140,000)</p> <p>The breakdown of the expenditure budget of £4,344,480 is as follows;</p> <ul style="list-style-type: none"> £3,562,290 – controllable £ 782,190 – non-controllable <p>The vision for the Customer and Business Support Service is to support the organisation to deliver resident focussed services thorough effective people, processes and technology.</p>
1c	What are the main aims of the project, policy or proposal?	<p>The future delivery of the Business Support Service has been reviewed in order to deliver a £350k budget reduction. This is in addition to the £200K first year reduction.</p> <p>The Council has committed to consider which services could be transferred to the Unity Partnership with a view</p>

		<p>to the more efficient, effective and economic delivery of the service. In this regard, Unity was asked to prepare a business proposal to support the Business Support service transfer at the same time as guaranteeing the delivery of a £350k budget reduction.</p> <p>When Unity Partnership investigated the Business Support Service transfer option, it developed a centralised solution to deliver the required savings, however it was not able to put forward a proposal for the Council to review that would satisfy the Council's requirements and deliver the best long term value for money.</p> <p>As a consequence, the option to transfer the Business Support Service (BSS) to Unity has been formally closed. The alternative, an in house solution to provide a budget reduction requirement of £350k has now been</p> <p>The budget reduction anticipated is £350k and comprises the following:</p> <ul style="list-style-type: none"> (iii) A reduction in supplies and services expenditure of £100k – this has already been identified (iv) The remaining £250k saving comprising: <ul style="list-style-type: none"> • reduction in postages related expenditure – potential £100k • tactical staff changes – potential £150k <p>Transformational opportunities coming out of the work undertaken to date – these will be jointly explored between the Council and Unity, through workshop/s to be held in later in the year.</p> <p>BSS had already done some work to identify areas where it could make tactical staff changes prior to the withdrawal by Unity. These changes have been discussed and agreed with service areas and a developed set of proposals to achieve the required savings have now been identified. Consultation on these proposals with Unions & staff started on 04/02/2016 and is due to complete on 28/03/2016.</p>
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	<p>The project will have a direct impact on all services supported by the Business Support Service and could have an indirect impact on the customers of those services.</p> <p>In some areas this could be a positive impact in that the service will receive support through a Business Support function which is more tailored to the individual needs of</p>

		<p>the service i.e. they get the support they need (bespoke) rather than being offered staff who can undertake a standard range of tasks (generic).</p> <p>In some areas there could be a negative impact. For example if staffing within a frontline service is reduced and then there is an unforeseen peak in workload the service may suffer and this could have a direct impact on residents.</p> <p>Any redesign of the service will be undertaken in conjunction with the services we support and actions. At the point of reviewing each service EIA screening will take place and where any potential disproportionate adverse impacts are identified, a full EIA will be carried out.</p>
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1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in a marriage or civil partnership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
People in particular age groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
<i>None</i>		<input type="checkbox"/>	<input type="checkbox"/>	

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
1h	How have you come to this decision?	Any redesign of the service will be undertaken in conjunction with the services we support. At the point of reviewing each service, EIA screening will take place and where any potential disproportionate adverse impacts are identified, a full EIA will be carried out.

Stage 5: Signature

Lead Officer: Bola Odunsi **Date:** 15/02/2016

Approver signature: Anne Ryans **Date:** 15/2/2016

EIA review date: December 2016

Appendix 3
2016/17 & 2017/18 - Schedule of Budget Proposals

Deferred Budget Reduction Proposals - Tranche 2

Reference	Brief Detail	Responsible Officer	Cabinet Member	2016/17 (£'000)	FTE 2016/17	2017/18 (£'000)	EIA Required?	Appendix 4 Page No.
E010	Adult Services - Income Maximisation	Mark Warren	Cllr J Harrison	192	3.0	0	Yes	2
E012a*	Local Area Coordination - A different approach to Adult Social Care	Mark Warren	Cllr J Harrison	824	4.0	0	Yes	51
	Total - Health and Wellbeing			1,016	7.0	0		
D006	Home School Transport	Caroline Sutton	Cllr S Akhtar	148	0.0	0	Yes	67
D007	Reduced Support for Council Operated Day-care Centres	Caroline Sutton	Cllr S Akhtar	80	27.2	0	Yes	77
	Total - Economy and Skills			228	27.2	0		
	Total Budget Reduction Proposals - Tranche 2			1,244	34.2	0		

* Budget reduction proposal E007 (Workforce Redesign - £0.150m) now combined with budget reduction proposal E012a (above) and included with Tranche 2.

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Appendix 4
Deferred Budget Reduction Proposals –
Tranche 2

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	E010
Portfolio	Health and Wellbeing
Directorate:	Health and Wellbeing
Division:	Adult Social Care
Responsible Officer and role:	Mark Warren, Director Adult Social care
Cabinet Member and Cluster :	Cllr Jenny Harrison, Social Care and Safeguarding

Title:	Adult Services – Income Maximisation
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Section 2

2015/16 Budget for the section:	Expenditure	£810k
	Income	(£210k)
	Net Expenditure	£600k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	28 FTE

	2016/17 £k	2017/18 £k
Proposed Financial saving:	192	0
Proposed reduction in FTEs	£60k of the total (3 FTE – vacant posts)	0

Section 3

Background: <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for</i>	<p>This document sets out proposals for maximising income for Adult Social Care in 2016/17.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">a) Block contracts for brokerage services</td> <td style="text-align: right;">£60,000</td> </tr> <tr> <td style="padding-left: 20px;">b) Cease backdating of residential payments</td> <td style="text-align: right;">£10,000</td> </tr> <tr> <td style="padding-left: 20px;">c) Income generated from deferred payments</td> <td style="text-align: right;">£10,000</td> </tr> <tr> <td style="padding-left: 20px;">d) Review of Helpline charges</td> <td style="text-align: right;">£50,000</td> </tr> <tr> <td style="padding-left: 20px;">e) Charging carers who are service users</td> <td style="text-align: right;">£52,000</td> </tr> <tr> <td style="padding-left: 20px;">f) Billing from the start of a package</td> <td style="text-align: right;">£10,000</td> </tr> </table>	a) Block contracts for brokerage services	£60,000	b) Cease backdating of residential payments	£10,000	c) Income generated from deferred payments	£10,000	d) Review of Helpline charges	£50,000	e) Charging carers who are service users	£52,000	f) Billing from the start of a package	£10,000
a) Block contracts for brokerage services	£60,000												
b) Cease backdating of residential payments	£10,000												
c) Income generated from deferred payments	£10,000												
d) Review of Helpline charges	£50,000												
e) Charging carers who are service users	£52,000												
f) Billing from the start of a package	£10,000												

implementation

Together these proposals total **£192,000**

Proposed Savings £k:

Through efficiency, income generation, transformation, decommissioning, etc

a) Block contracts for brokerage services

Explore options for developing block contracts or framework arrangements for brokerage providers. Currently there are a range of brokers within the local social care market who do not have robust contractual arrangements in place. It had been proposed to develop an internal model of Brokerage which would be the benchmark for external providers. However, opportunities have arisen which provide an opportunity to develop a best practice framework in the external market which will realise savings through decommissioning of the internal model.

b) Cease backdating of residential payments

Residential providers do not always inform adult social care of changes to the client placements within their homes. Whilst stringent checks have been put in place providers do not always respond to requests for contracts or inform the service when changes occur. To encourage a more robust response it is proposed to cease the backdating of residential payments where the provider does not provide the information required.

c) Income generated from deferred payments

Whilst the deferred payments scheme cannot generate additional income under the Care Act 2014, these costs are associated with the general overheads of maintaining the scheme. Any additional costs generated above this target will offset the costs incurred for additional staffing resources to manage the scheme locally.

d) Review of Helpline charges

There are currently 3 levels of charges for helpline and it is proposed to move to one band, which is currently gold level. As part of these proposals it is also suggested that we move away from subsidising housing establishments.

e) Charging carers who are service users

Carers Allowance is currently disregarded within our charging policy when the carer is also a service user. This was previously seen as a way to incentivise carers to retain their caring role. However, the Care Act 2014 included this within the types of benefits which should be taken fully into account when considering what a person can afford to pay towards their care from their income.

f) Billing from the start of a package

Whilst the majority of our financial assessments are completed in advance of a person's care and support package commencing,

	there are some instances where this is not possible. In these cases it is proposed to start the billing from the date of the care package, as opposed to the date of the completion of the financial assessment. People are informed as part of the social care needs assessment that they may have to contribute towards their care and support services so people are prepared at the beginning of their social care journey.
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	None
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<p><u>Property Implications</u></p> <p><i>ie closures, maintenance costs, transfer of Assets, property savings, etc.</i></p>	None
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Section 4

<u>Key Milestones</u>	
Milestone	Timescale
a) Block contracts for brokerage services	Implemented April 2016
b) Cease backdating of residential payments	Implemented April 2016
c) Income generated from deferred payments	Implemented April 2016
d) Review of Helpline charges	Implemented April 2016
e) Charging carers who are service users	Implemented April 2016
f) Billing from the start of a care package	Implemented April 2016

Key Risks and Mitigations	
Risk	Mitigating Factor
Revision of our brokerage arrangements may lead to a gap in the local social care market and a potential risk to clients and continuity of providers	Ensuring effective, timely engagement and consultation with relevant partners will be essential
Cease backdating of residential payments could lead to an increase in complaints from residential providers	Ensuring effective, timely engagement and consultation with relevant partners via our provider forums will be essential
Risk of not generating sufficient income from deferred payments	The potential income has been modelled on previous years take up of deferred payments with an allowance for fewer cases than in previous years. This should mean that the target is achievable during year 1.
Review of Helpline charges could lead to concerns by partners, stakeholders and vulnerable adults	Ensuring effective, timely engagement and consultation with relevant partners will be essential
Charging carers who are service users may lead to a withdrawal of support from carers who are also in receipt of care and support services	Clear and timely consultation will be essential in managing the impact of any charging reforms for carers.
Billing from the start of a care package may lead to an increase in complaints	Development and provision of information about paying for a person's care and support services should be shared with them or their family at the point of their social care needs assessment.

Section 5

What impact might the proposal have on the following?

Service Delivery and future expected outcomes:

The overall vision for adult care in Oldham is to ensure as many people as possible are enabled to stay healthy and actively involved in their communities for longer and delay or avoid the need for targeted services. In order to achieve this and manage the expected future demands, there is a need to move away from traditional “social” and “health” care, and focus on prevention, integration and a more person centred model of holistic care. The proposals contained within this paper will help to deliver this vision.

The approach to manage the expected demand within reduced resources will be one

that:

- Intends to lessen demand;
- Is focussed on outcomes;
- Promotes delivery models that can deliver savings;
- Supports people to avoid using residential care services, but where they do reduces the length of stay and delays the point of admission; and
- Invests in preventative services.

Organisation (other services)

The success of the transformation programme depends on the engagement of all parts of the organisation and our key partners to establish a joined up approach. To support this progress will be reported into Transforming Adult Services group, which aims to engage with key elements of the business in our transformation programme.

Workforce

We will need to ensure the workforce is fully skilled up and knowledgeable on changes to the adult social care charging and income generation, including the changes to working practices and processes arising from these proposals.

Communities

Communities will benefit from a joined up health and social care system, with simpler processes and will find it easier to understand their care and support funding.

Service Users

Service users will experience a more joined up system, and would benefit from an aligned approach to the funding of their care and support.

The charging elements of this proposal will impact on the amount of disposable income Adult Social Care service users will retain, as a result of their contribution towards their care and support needs increasing. However, all individuals will be left with a Minimum Income Guarantee (MIG) level, as laid out in the statutory framework, so no-one will pay more towards their care than they can afford to do so.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

Partners will also benefit from a more joined up health and social care system, with effective aligned processes and systems. However, partners might also feel additional financial pressures from revised working arrangements.

There may be additional pressure on voluntary and community organisations as demand rises and attempt to fill gaps in provision.

Section 6

Supplementary Information

None

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	All relevant consultation with staff, trade unions, providers and partners will be undertaken for specific projects.
Staff Consultation	All relevant, consultation with service users, carers, providers and partners, will be undertaken for specific projects.
Public Consultation	
Service User Consultation	All consultation will be completed by November 2015.
Any other consultation	

Section 8

Equality Impact Screening

Is there **potential** for the proposed saving to have a disproportionate adverse impact on any of the following groups:

	State Yes / No against each line
Disabled people	Yes
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	Yes
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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	Yes
Groups with particular faiths/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes
EIA to be completed by:	Kirsty-Louise Littlewood
By:	1 December 2015

Section 9

Responsible Officer:	Maggie Kufeldt, Executive Director, Health and Wellbeing
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Support Officer Contact:	Claire Hill
Support Officer Ext:	3125

Cabinet Member Comments and/or approval

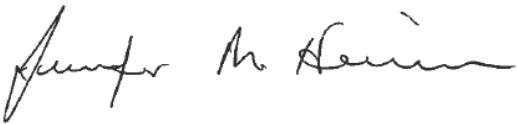
Approved

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	17 August 2015
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr Jenny Harrison,
Signed:	
Date:	17.8.15

Equality Impact Assessment

E010 A - Adult Services - Income Maximisation (Brokerage)

Lead Officer:	Kirsty Littlewood, Head of Client Support, Adults
People involved in completing EIA:	Hayley Summers, Planning & Commissioning Manager Julie Hawkins, Short Breaks & Transformation Manager
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	Yes

General Information

1a	Which service does this project, policy, or proposal relate to?	<p>The proposal relates to vulnerable adults with eligible social care and support needs who wish their needs to be met through the provision of a direct payment.</p> <p>It also encapsulates children with Special Educational Needs and Disabilities aged 0 – 25 years (and their families) who wish to access brokerage services to manage their direct payment.</p>
1b	What is the project, policy or proposal?	<p>Oldham Council is seeking interest from organisations who would be interested in providing a brokerage provision to service users who are in receipt of a Direct Payment (DP).</p> <p>As part of Oldham’s person-centred approach to care and support and, in line with the Care Act 2014, all those who are eligible for care and support from the Council will be allocated a personal budget and encouraged to take up a direct (cash) payment rather than having a package of care and support services arranged for them.</p> <p>Direct Payments enable people with adult social care needs and children/young people's families to have</p>

		<p>more choice and control over the support they receive. Many choose to employ Personal Assistants to give them maximum control and flexibility to meet their desired outcomes, some are unable to confidently manage these or other service arrangements and look to a Broker to assist them.</p> <p>Brokers work in partnership with the Council to ensure that people who utilise a direct payment are fully enabled to manage, administer and meet their care and support needs. Brokers help clients manage their personal budget in order to make the process a lot easier, ensuring clients have access to relevant information on providers and services available. Oldham's local support brokers offer one-to-one support, additional continuous support for those who need it, or support by phone and or online. Brokers have an in depth understanding of disability, needs and culture, along with the latest local knowledge in order to make use of the best resources currently available to match an individual's personal and financial circumstances.</p> <p>The key elements of a brokerage service are:</p> <ul style="list-style-type: none"> • Ensuring an outcome focused approach to support plans • Identifying indicative costs of implementing the support plan • Managing the client's personal budget • Planning and managing the right support for clients • Writing a contingency plan reflects individuals personal preferences • Exploring solutions to emergency events • Providing and ensuring there is a more personalised service • Liaising and negotiating with the service providers • Arranging care and support services • Clarifying the client's needs and goals • Identifying and accessing community resources • Inducting, interviewing and recruiting staff / PA's • Drafting contracts of employment for PA's • Ensuring that direct payments funding is being used on items approved in the support plan • Regularly updating clients and supporting them to keep records of how the budget is being used and
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		<p>spent</p> <ul style="list-style-type: none"> • Opening a separate bank account where necessary for clients to access funding • Filling in payroll forms and PA's timesheets • Liaising with insurance companies and keeping a record of insurance certificates • Managing payroll/accountants' services • Resolving problems that may arise with the management of a client's personal budget <p>The project proposal is to tender for a new approved list of brokers.</p> <p>The proposal incorporates the cessation of the Council's in-house support brokerage function, which was intended to provide an alternative option for those people wishing to access a broker. However, it was identified that whilst funding was allocated towards this initiative, it was never launched and felt more beneficial to develop a robust, flexible brokerage model within the external social care market.</p> <p>This approach acknowledges the diverse skill sets required to deliver bespoke brokerage functions and ensures ongoing investment and growth within our local economy.</p>
1c	What are the main aims of the project, policy or proposal?	<p>To establish a robust, flexible brokerage model within Oldham which safeguards individuals, protects public funds and ensures positive outcomes for the client.</p> <p>Through the tender process we will ensure that personalised, quality driven services are provided within the brokerage framework. Ensuring that clients accessing the provision from across the spectrum of children and adult services are afforded flexible high quality provision.</p>
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	<p>The use of brokerage providers for the management of direct payments in Oldham is nothing new. Since the inception and implementation of personal budgets, around 2008, there has been close liaison between the Council and brokerage providers.</p> <p>However, there is an acknowledgement that service</p>

		<p>provision has steadily increased in this area, with some 350 plus clients in adult social care alone receiving some form of brokerage support.</p> <p>In context, this equates to over half of the 600 direct payments currently in operation, which has an annual spend in the region of £7m.</p> <p>The fees for brokerage providers, whilst set as a standard by the Council, fluctuate significantly and the service 'offer' for the client can vary dramatically from one provider to another. The current approximate spend within this sector of the market on an annual basis, is in the region of £210,000.</p> <p>By tendering for an approved provider list we can ensure that positive outcomes for clients with eligible care and support need are delivered. Providers will be monitored against the following key outcomes:</p> <ul style="list-style-type: none"> • Physical, mental and emotional wellbeing • Control by the individual over day-to-day life • Social and economic wellbeing • Suitability of living accommodation • Individual's contribution to society • Participation in work, education, training or recreation • Protection from abuse and neglect • Personal dignity (including respect) • Domestic, family and personal wellbeing <p>It is important to note, that whilst the project is focused on delivering positive outcomes for our service users and the provision of high quality services, other drivers include:</p> <ul style="list-style-type: none"> • Ensuring brokerage providers are compliant and support the Council in meeting its legal duties under the Children and Families Act and the Care Act 2014. • Compliance with other regulatory reforms including real time date to HMRC and pension reforms • Developing a brokerage modal which is flexible and can meet the demands of future integration models • Ensuring value for money and embedding performance management measures and accountability.
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		As the approved list is a joint initiative across Children and Adult Services, it ensures equality in service provision, co-operative working and the potential for a more seamless transition into adult services through the continuity of service provision.
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1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in a Marriage or Civil Partnership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
Those adults or children (and families) with special educational needs who have had an assessment of need and therefore require the services of a broker.		<input checked="" type="checkbox"/>	<input type="checkbox"/>	

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
1h	How have you come to this decision?	<p>The development of an approved provider list will have a positive impact on clients who require brokerage services as it will ensure equality of service provision, embed quality assurance approaches and ensure the delivery of high quality services, through a robust contractual framework agreement.</p> <p>Through contractual performance management requirements, the Council will ensure that the approved providers meet the client's expectations, deliver positive outcomes and ensure adherence with Council policies and procedures.</p>

Stage 5: Signature	
Lead Officer: Kirsty Louise Littlewood	Date: 7 December 2015
Approver signature: Mark Warren	Date: 7 December 2015
EIA review date: October 2016	

Equality Impact Assessment

E010 B - Adult Services - Income Maximisation (Backdating charges)

Stage 1: Initial screening

Lead Officer:	Kirsty Littlewood, Head of Client Support Services
People involved in completing EIA:	Karen Maders Team Leader Income and Assessments
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	Yes x No Date of original EIA:

General Information

1a	Which service does this project, policy, or proposal relate to?	<p>Adult Social Care Non Residential Charging Policy</p> <p>The Care Act 2014 introduced changes to the rules relating to the financial assessment process for calculating service user's contributions towards their non-residential care services which include personal budgets, day-care, extra care housing and supported living along with the date that these services can be charged for.</p> <p>The charging policy was revised in April 2015 to make it compliant with the Care Act but further revisions are proposed.</p>
1b	What is the project, policy or proposal?	<p>What is a financial assessment?</p> <p>A financial assessment is completed to calculate the amount that a person can afford to contribute towards their non-residential or residential care services. It is a means test assessment calculated based on the guidance set in The Care Act 2014.</p> <p>When are financial assessments completed?</p> <p>Referrals are sent on FWi from the Care Manager to the Income and Assessment to complete a financial assessment when a person is going to receive services. Usually the financial assessment is completed before services start but sometimes this does not happen and there is a delay in completing the assessment.</p>

		<p>When is the financial assessment effective from?</p> <p>Under the current charging policy the assessment for residential care services is backdated to the date that services started but the assessment for non-residential services is only effective from the Sunday following the date of the assessment. This means that if services have started prior to the assessment being completed then they are received free for a period of time.</p> <p>Previously, under the Fairer Charging Guidance charges for non-residential care services could not be backdated, however this has been changed with the introduction of the Care Act 2014.</p>
1c	What are the main aims of the project, policy or proposal?	<p>The main aim of the proposal is to be fully compliant with the charging guidance as set out in the Care Act 2014 therefore ensuring the fair and equitable treatment of all service users.</p> <p>The proposal seeks to ensure that:-</p> <ul style="list-style-type: none"> • All service users are treated in the same way and charged from the start date of their services • The income collected by the Council is maximised.
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	<p>This proposed change in policy may have a detrimental effect on those whose financial assessment is not completed before they start to receive services as they will not be aware of their contribution prior to services commencing. However, by completing a financial assessment we will ensure that service users will still be left with the Minimum Income Guarantee amount set by the Department of Health and will not be charged more than they can afford to pay.</p>

1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in a marriage or civil partnership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

of a process of gender reassignment				
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
People in particular age groups	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	<input type="checkbox"/>	X

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes X No <input type="checkbox"/>
1h	How have you come to this decision?	<p>The change proposed may have a negative impact on some service user's finances.</p> <p>Where service users are going to see an adverse change in their financial position, we will need to ensure that we have processes in place to help them cope.</p> <p>Due to this likely impact it is recommended we do a full impact assessment.</p>

Stage 2: What do you know?

What do you know already?

We currently have open financial assessments and support plans for approximately 2,200 service users and we receive about 55 referrals a week for financial assessments to be completed.

Financial Impact for Service Users

We have looked at the assessments that we have completed over a third of a year to look at the number of people that would be affected if we backdated charges to the start date of the service. From looking at this information the following has been identified:-

- On average 14% of those people assessed over a month would have their charges backdated

- The average number of days that charges would be backdated for was 8, although there were 8 cases over the period looked at that would have charges backdated for more than 100 days

Financial Impact for the Council

- Over the period studied an additional £12,000 in income would have been generated
- If these finding were replicated over the course of the year an additional £36,000 may be generated in income

Financial assessment

All those who are in receipt of services will have a financial assessment to calculate the amount they can afford to contribute towards their care.

Invoices for contributions are raised in arrears therefore as the average number of days charges are backdated for is 8, service users would have had a financial assessment before the first invoice for their contribution was raised.

What don't you know?

We do not know whether this level of additional income would be maintained as a lot of data quality checking has been being undertaken which may have impacted on the findings.

Further data collection

Summary (to be completed following analysis of the evidence above)	None	Positive	Negative	Not sure
Does the project, policy or proposal have the potential to have a <u>disproportionate</u> impact on any of the following groups? If so, is the impact positive or negative?				
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in a marriage or civil partnership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think that this proposal may affect negatively or positively?				

Stage 3: What do we think the potential impact might be?

Consultation information

This section should record the consultation activity undertaken in relation to this project, policy or proposal.

3a. Who have you consulted with?	1,800 questionnaires were sent out to a selection of service users including people who received helpline services or fully funded their own care. These questionnaires were sent out at the end of September and the consultation ran until early December 2015.
3b. How did you consult? (inc meeting dates, activity undertaken & groups consulted)	Postal questionnaires were sent out to the cohort of service users identified above.

3c. What do you know?

Financial Impact for Service Users

- 14% of those assessed would have their charges backdated for about 8 days from the date of the financial assessment
- A small proportion of services users will have their charges backdated for a lengthy period of time

Consultation outcomes

The consultation queried whether charges for a person's care and support should be backdated to the time at which the package commenced, rather than the point at which a person's financial assessment is completed. In a handful of cases these services are received free for a period of time, even when the person can afford to pay.

We asked service users whether the charges for care and support should commence from the start of their services and 40% agree that this should be from the start of the care package, 35% agreed with backdating charges and 25% did not know.

3d. What don't you know?

n/a

3e. What might the potential impact on individuals or groups be?

(think about disability, race, gender, sexual orientation, transgender, age, faith or belief and those on low incomes and other excluded individuals or groups)

Generic (impact across all groups)	For those assessed after their services have commenced their contribution would be backdated to the start date of their services.
Men or women (include impacts due to pregnancy / maternity)	Whilst our approach does not positively or negatively impact either of these groups disproportionately it should be noted that in general, across health and social care, there are significantly higher levels of women receiving care and support than men. This is linked to demographics reflecting that generally women

	live longer than men and in turn need a high level of social care support. In turn this may mean that a greater number of women are affected.
People in a marriage or civil partnership	No impact.
People of particular sexual orientation/s	No impact.
Disabled people	People can be in receipt of services due to an illness or disability therefore the proposed changes would impact on this group. However, it would not impact on one particular group of disabled people more than another.
Particular ethnic groups	No impact.
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	No impact.
People on low incomes	There will be an impact on people with a low income as they may have to pay charges from an earlier date.
People in particular age groups	No impact.
Groups with particular faiths and beliefs	No impact.
Other excluded individuals and groups (e.g. <i>vulnerable residents, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>)	No impact.

Stage 4: Reducing / mitigating the impact

As a result of what you have learned, what can you do to minimise the impact of the proposed changes on equality groups and other excluded / vulnerable groups, as outlined above?

4a. Where you have identified an impact, what can be done to reduce or mitigate the impact?

Impact 1: Not being aware Service users are advised at the initial contact stage that they

of their financial contribution prior to the start of their services	will require a financial assessment and that the maximum amount that they will have to pay is the full cost of the service. Therefore although service users will not know what their actual contribution will be they will be aware that they will have to pay for their services
Impact 2: Charges being backdated for a long period	Consideration would have to be given in these circumstances as to the reason for the backdated charge. If the delay in the financial assessment was due to the person not being available to complete the assessment or not providing the required information then the charge would be backdated. If the delay was due to our error then consideration may need to be given to waiving part of the charge but cases would need to be looked at on an individual basis.

4b. Have you done, or will you do, anything differently as a result of the EIA?

Financial assessments

We have discussed the Framework I process for referrals being sent through to the Income and Assessment team to request that these are sent before services are agreed at panel. In doing this the opportunity for completing the assessment prior to services commencing is maximised.

4c. How will the impact of the project, policy or proposal and any changes made to reduce the impact be monitored?

The number of cases where charges are backdated will be monitored along with the length of time the charges have been backdated for.

Conclusion

This section should record the overall impact, who will be impacted upon and the steps being taken to reduce / mitigate the impact

Whilst there could potentially be negative impacts on a range of protected characteristic groups – disability and people on a low income– appropriate mitigating actions have been identified to reduce the potential impact.

Stage 5: Signature

Lead Officer: Kirsty-Louise Littlewood

Date: 7 December 2015

Approver signature: Mark Warren

Date: 7 December 2015

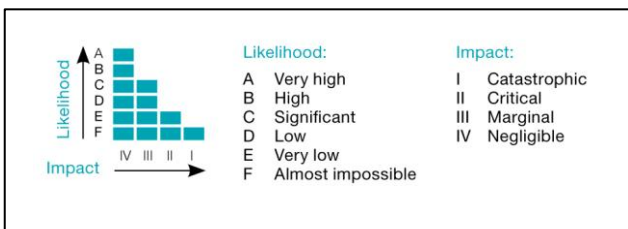
EIA review date: 12 months (October)

APPENDIX 1: Action Plan and Risk Table

Action Plan

Once you have decided on the course of action to be taken in order to reduce or mitigate the impact, please complete the action plan below
(An example is provided in order to help you)

Number	Action	Required outcomes	By who?	By when?	Review date
1 Service Users are aware of charges for services prior to them commencing	Communication needs to be reviewed/drafted to ensure that service users are aware of charges	<ul style="list-style-type: none"> Information and record sheet is completed with service users and uploaded onto FWi Information is available via the internet or leaflet to explain briefly the charges for care services 	Care Management Income and Assessment Team		
2 Charges are backdated for a long period	Reports will be run to identify invoices that include a substantial backdate and discussions will be held on a case by case basis. Accompanying letters will be sent to explain the invoice where required	<ul style="list-style-type: none"> Clear records are kept as to the reasons for the backdated invoice Service users understand their invoice and what it is for The number of complaints received is reduced 	Income and Assessment Team		



Equality Impact Assessment

E010 D – Adult services – Maximising income (Helpline element)

Stage 1: Initial screening

Lead Officer:	Kirsty Littlewood, Head of Client Support Services
People involved in completing EIA:	Karen Maders Team Leader Income and Assessments
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	Yes x No Date of original EIA:

General Information

1a	Which service does this project, policy, or proposal relate to?	<p>This EIA relates to proposal (ref: E010) and is in respect of the Helpline element outlined in D.</p> <p>Helpline Service (Oldham Care and Support) In 2012 the helpline service transferred to Oldham Council from First Choice Homes. The service is currently provided by Oldham Care and Support and charges are collected by the Income and Assessment Team within the Council's Client Support Service.</p>
1b	What is the project, policy or proposal?	<p>Background</p> <p>What is helpline? Helpline is a service provided to help people retain their independence in their home by providing them with the knowledge that help, advice or reassurance can be provided quickly in an emergency situation.</p> <p>Who is helpline for? Anyone can access the helpline service. For those assessed as having eligible needs it can form part of their support plan or it can be purchased privately.</p> <p>Some housing providers including Housing 21 and FCHO offer helpline as part of their tenancy agreements.</p>

Currently all clients who access reablement services have helpline installed at the beginning of their reablement period and at the end of this period they can choose to keep this service or have it removed. This forms part of the service commissioned from Oldham Care and Support (OCS) by the Council.

What are the different levels of helpline service available?

There are 3 different levels of service available:

Gold Weekly cost £6.50 - includes a weekly check-up telephone call. Response staff will attend to assist in an emergency if necessary.

Silver weekly cost £5.00 - response staff will attend in an emergency if necessary.

Bronze weekly cost £2.00 – response staff will contact relatives or emergency services where needed.

When helpline transferred to the Council from FCHO everyone was transferred on a silver level of service unless otherwise specified by the service user.

How is helpline income collected?

For those with eligible needs the charge for helpline is included in the assessed contribution that they pay towards the cost of their services. A means test assessment is completed to calculate the contribution.

For private helpline clients an annual invoice is raised, in a similar way to Council Tax, which includes a monthly breakdown of payments required.

Housing 21

- For group schemes and extra care housing all charges are collected in rent by Housing 21.
- For those in bungalows £2.00 for the Bronze level of service is collected in rent and additional charges for Silver or Gold Service is invoiced for by the Income and Assessment Team.

Villages

- Villages will pay £2.00 for the Bronze level of service additional charges for Silver or Gold Service is invoiced for.

		<p>Payments are received from the Housing Revenue Account totalling approximately £186,000 a year to subsidise the Housing Association services.</p> <p>What is the proposed change?</p> <p>It is proposed to increase the income target from OCS by £50,000. In order to incentivise them to do this it is proposed to cease installing helpline as part of the re-ablement package and that no additional increases will be made for a 3 year period meaning that they will benefit from any growth in their business.</p>
1c	What are the main aims of the project, policy or proposal?	The main aim of the proposal is to increase the income generated from helpline and incentivise OCS to grow this part of their business.
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	This proposal would affect those that currently have helpline installed as part of the re-ablement package. From information we currently hold 68 instalments have been completed this year as part of a re-ablement package.

1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in a marriage or civil partnership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	<input type="checkbox"/>	X

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes X No <input type="checkbox"/>
1h	How have you come to this decision?	<p>The change proposed is likely to have a negative impact on some service user's finances as currently if helpline is installed as part of a helpline package it is not chargeable until the end of this period.</p> <p>Where service users are going to see an adverse change in their financial position, we will need to ensure that we have processes in place to help them cope.</p> <p>Due to this likely impact it is recommended we do a full impact assessment.</p>

Stage 2: What do you know?

What do you know already?

From the records that we currently hold on helpline services we are currently aware of the following information:

As of 1 October 2015 we have 2635 helpline users broken down as follows:-

- 385 who have helpline as part of their support plan
- 1500 private payers
- 750 have helpline provided through their housing provider

Of these users the breakdown of service levels provided is as follows:-

- Bronze 240
- Silver 1593
- Gold 52
- 750 who have Bronze level care subsidised by the Housing Provider

The age breakdown of these users is as follows:

• Level of Service	• Under 65	• 65-75	• Over 75
• Bronze	• 17%	• 16%	• 67%
• Silver	• 11%	• 12%	• 77%
• Gold	• 14%	• 9%	• 77%

From our records we have identified that this year 68 instalments have been completed as part of a re-ablement package. Of the 17 instalments completed over the period August to October 2015 10 of these have been removed following the end of the re-ablement period.

Financial Impact for Service Users

If helpline is not included as part of a re-ablement package it would be chargeable from when it is installed this could mean that a service user has to pay up to an additional £39.00 for the helpline service.

Service Use

Over a 4 month period the following helpline information was logged:

- 7,132 calls were received from service users
- 66 calls resulted in an ambulance attendance
- 2,523 resulted in attendance from Helpline response

Financial Impact for the Council

More income would be collected as charges would be payable from the start of the service. Administration costs would also be reduced as currently at the end of the re-ablement package we raise an invoice for the instalment and annual cost for the helpline service if the decision is then made to not retain the service then a credit note has to be raised adding additional costs.

What don't you know?

We do not know how many service users who currently have helpline installed as part of re-ablement would choose to have this installed if it wasn't included as part of the package.

We do not know whether the concessions proposed would incentivise OCS to grow this part of the business.

Further data collection

Summary (to be completed following analysis of the evidence above)	None	Positive	Negative	Not sure
Does the project, policy or proposal have the potential to have a <u>disproportionate</u> impact on any of the following groups? If so, is the impact positive or negative?				
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
Particular ethnic groups	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
People in a marriage or civil partnership	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

undergoing or have undergone a process or part of a process of gender reassignment				
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
People in particular age groups	<input type="checkbox"/>	<input type="checkbox"/>	x	<input type="checkbox"/>
Groups with particular faiths and beliefs	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think that this proposal may affect negatively or positively?				

Stage 3: What do we think the potential impact might be?

Consultation information <i>This section should record the consultation activity undertaken in relation to this project, policy or proposal.</i>	
3a. Who have you consulted with?	Informal communications have commenced with Oldham Care and Support to increase the income target for helpline in 2016/2017. Formal commissioning intentions meeting took place with them on 30 November 2015 and was positively welcomed.
3b. How did you consult? (inc meeting dates, activity undertaken & groups consulted)	Email communications during November and a commissioning intentions meeting with OCS and its Managing Director on 30 November 2015, where the increase to the helpline income target was discussed including potential options to incentivise the proposal over the longer term.

3c. What do you know?
Financial Impact for Service Users Service users may have to pay more for the helpline service as it will not be included as part of re-ablement.
3d. What don't you know?
We do not know how many people will choose to have helpline installed on top of their re-ablement package.

3e. What might the potential impact on individuals or groups be?	
Generic (impact across all groups)	Over this year 68 users have helpline installed as part re-ablement.
Men or women (include impacts due to	Whilst our approach does not positively or negatively impact either of these groups disproportionately it should be noted that

pregnancy / maternity)	in general, across health and social care, there are significantly higher levels of women receiving care and support than men. This is linked to demographics reflecting that generally women live longer than men and in turn need a high level of social care support. In turn this may mean that a greater number of women are affected.
People in a marriage or civil partnership	No impact.
People of particular sexual orientation/s	No impact.
Disabled people	Users of the helpline service and those accessing re-ablement are likely to have an illness or disability as such the changes will directly impact this protected characteristic group most significantly. However, there will not be a disproportionate effect on a particular group of disabled people.
Particular ethnic groups	No impact.
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	No impact.
People on low incomes	There may be an impact on people on a low income as helpline would be chargeable from the start of the service, however financial assessments would still be completed ensuring that people are not charged more that they can afford to pay.
People in particular age groups	From the analysis that we have completed we know that the majority of helpline service users are over 75 therefore these changes would have a higher impact on people in this category.
Groups with particular faiths and beliefs	No impact.
Other excluded individuals and groups (e.g. <i>vulnerable residents, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>)	No impact.

Stage 4: Reducing / mitigating the impact

4a. Where you have identified an impact, what can be done to reduce or mitigate the impact?

Impact 1: Helpline would not be installed as part of re-ablement and users may be at risk	Users would still be able to have helpline installed as they started re-ablement but it would be chargeable from the start rather than free for up to 6 weeks.
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4b. Have you done, or will you do, anything differently as a result of the EIA?
N/A

4c. How will the impact of the project, policy or proposal and any changes made to reduce the impact be monitored?
The number of users choosing to have helpline installed as they start re-ablement would need to be monitored. Growth in this part of the service offered by OCS would need to be monitored.

Conclusion
Whilst there could potentially be a negative impact on a range of protected characteristic groups – disability and people on a low income– appropriate mitigating actions have been identified to reduce the potential impact.

Stage 5: Signature

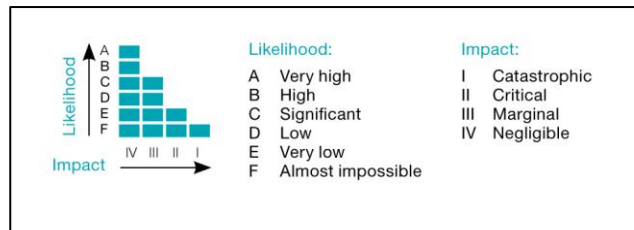
Lead Officer:	Kirsty Littlewood	Date: 07.12.15
Approver signature:	Maggie Kufeldt	Date: 07.12.15
EIA review date: December 2016		

APPENDIX 1: Action Plan and Risk Table

Risk table

Record any risks to the implementation of the project, policy or proposal and record any actions that you have put in place to reduce the likelihood of this happening.

Ref.	Risk	Impact	Actions in Place to mitigate the risk	Current Risk Score	Further Actions to be developed
R1.1	Increase in complaints and appeals received due to the increase in service user's contributions		Transitional protection to be applied and financial re-assessments to be completed	CIII	Effective communication plan to be completed.



Equality Impact Assessment

E010 E - Adult Services - Income Maximisation (Carers Allowance)

Stage 1: Initial screening

Lead Officer:	Kirsty Littlewood, Head of Client Support Services
People involved in completing EIA:	Karen Maders Team Leader Income and Assessments
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	Yes x No Date of original EIA:

General Information

1a	Which service does this project, policy, or proposal relate to?	<p>Adult Social Care Non Residential Charging Policy</p> <p>The Care Act 2014 introduced changes to the rules relating to the financial assessment process for calculating service user's contributions towards their non-residential care services which include personal budgets, day-care, extra care housing and supported living.</p> <p>The charging policy was revised in April 2015 to make it compliant with the Care Act but further revisions are needed in relation to the treatment Carers Allowance that is in payment to service users.</p>
1b	What is the project, policy or proposal?	<p>What is Carers Allowance?</p> <p>Carer's Allowance is paid to people who provide 35 hours or more of care to a person who is in receipt Attendance Allowance, Personal Independence Payment (Daily Living Component) or Disability Living Allowance Care at the middle or higher rate.</p> <p>Fairer Charging Guidance</p> <p>Prior to the implementation of the Care Act 2014 the non-residential charging policy was set based on the Fairer Charging Guidance issued by the Department of Health.</p> <p>Under this Guidance the Council used its discretion</p>

		<p>to be more generous in its Charging Policy for non-residential care and disregarded Carers Allowance in the financial assessment for non-residential care.</p> <p>Care Act 2014</p> <p>Within the Care Act Guidance (Annex C Treatment of Income para 16) it clearly states that Carers Allowance should be taken fully into account when considering what a person can afford to pay towards their care.</p> <p>In relation to this we need to review our charging policy to take Carers Allowance into account in the financial assessment.</p> <p>To clarify this point, we are not proposing to charge for carers services, we are proposing to include Carer's Allowance in the financial assessment for service users who receive services in their own right.</p>
1c	<p>What are the main aims of the project, policy or proposal?</p>	<p>The main aim of the proposal is to be fully compliant with the treatment of income as set out in the Care Act 2014 therefore ensuring the fair and equitable treatment of all service users.</p> <p>The present charging policy needs to be altered as currently Carers Allowance is disregarded.</p> <p>The proposal seeks to ensure that:</p> <ul style="list-style-type: none"> • Income is treated as set out in the Care Act • That all service users are treated fairly and equitably. Currently if a service user defers claiming their Retirement Pension to continue claiming Carers Allowance they would pay less than a service user who had claimed their Retirement Pension.
1d	<p>Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?</p>	<p>This proposed change in policy may have a detrimental effect on those who currently receive Carers Allowance and have this disregarded in their financial assessment.</p> <p>By no longer making this allowance the maximum weekly contribution that a service user has to make towards their care may increase. However, service users will still be left with the Minimum Income Guarantee amount set by the Department of Health.</p>

1e. Does the project, policy or proposal have the potential to disproportionately impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in a marriage or civil partnership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
Carers who are also service users			<input checked="" type="checkbox"/>	

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1h	How have you come to this decision?	<p>The change proposed is likely to have a negative impact on some service user's finances.</p> <p>Where service users are going to see an adverse change in their financial position, we will need to ensure that we have processes in place to help them cope.</p> <p>Due to this likely impact it is recommended we do a full impact assessment.</p>

Stage 2: What do you know?

What do you know already?

We currently have open financial assessments and support plans for approximately 2,200 service users, of these 38 are in receipt of Carers Allowance and have this disregarded in their financial assessment.

Financial Impact for Service Users

A scoping exercise has been completed to identify the likely financial impact on service users who are currently receiving Carers Allowance and the findings are as follows:-

- 76% will have an increase in their contribution
- 24% will have no increase in their contribution
- 58% will begin to pay towards their services having previously been assessed as not able to contribute towards the cost of their services
- 61% will have an increase in their contribution of more than £20 a week
- 34% will have an increase in their contribution of more than £50 a week

Financial Impact for the Council

Taking Carers Allowance into account in the financial assessment for non-residential care will increase the income collected by the Council. The scoping exercise that has been completed suggests the following:-

- Weekly income invoiced will increase by £1,309
- Annual income invoiced will increase by £68,000

Financial reassessment

The service users who are currently in receipt of Carers Allowance will need a financial reassessment in order to explain the change in assessment rules and understand how this will effect what they need to pay.

Service users will be required to provide all details of their income, capital and expenditure so that an assessment of what they can afford to pay towards their care services can be calculated.

The charging framework provides a consistent approach for fairly and consistently assessing all service users' contributions towards the cost of the services that they receive, based on their individual circumstances and is based on the principles set out in the Care Act 2014:

- ensuring that people are not charged more than it is reasonably practicable for them to pay;
- is comprehensive, to reduce variation in the way people are assessed and charged;
- clear and transparent, so people know what they will be charged;
- promotes wellbeing, social inclusion, and supports the vision of personalisation, independence, choice and control;
- supports carers to look after their own health and wellbeing and to care effectively and safely;

- is person-focused, reflecting the variety of care and caring journeys and the variety of options available to meet need;
- applies the charging rules equally so those with similar needs or services are treated the same and minimises anomalies between different care settings;
- encourages and enables those who wish to stay in or take up employment, education or training or plan for the future costs of meeting their needs to do so; and
- is sustainable for local authorities in the long-term.

The attached Charging Framework for Non-Residential Services provides a detailed breakdown of how a financial assessment will be completed for each service user.

What don't you know?

We do not currently know the full details of the changes that are going to be introduced in 2020 with the second phase of the Care Act and how this will impact on the non-residential charging policy and income collected.

Further data collection

Summary (to be completed following analysis of the evidence above)	None	Positive	Negative	Not sure
Does the project, policy or proposal have the potential to have a <u>disproportionate</u> impact on any of the following groups? If so, is the impact positive or negative?				
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in a marriage or civil partnership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think that this proposal may affect negatively or positively?				

Stage 3: What do we think the potential impact might be?

Consultation information <i>This section should record the consultation activity undertaken in relation to this project, policy or proposal.</i>	
3a. Who have you consulted with?	<p>1,800 questionnaires were sent out to a selection of service users including people who received helpline services or fully funded their own care. These questionnaires were sent out at the end of September and the consultation ran until early December 2015.</p> <p>In addition, the proposals were presented to the Carers for Positive Change group for consideration and comment.</p>
3b. How did you consult? (inc meeting dates, activity undertaken & groups consulted)	<p>Postal questionnaires were sent out to the cohort of service users identified above.</p>

3c. What do you know?

Financial Impact for Service Users

We currently have open financial assessments and support plans for approximately 2,200 service users, of these 38 are in receipt of Carers Allowance and have this disregarded in their financial assessment.

A scoping exercise has been completed to identify the likely financial impact on service users who are currently receiving Carers Allowance and the findings are as follows:-

- 76% will have an increase in their contribution
- 24% will have no increase in their contribution
- 58% will begin to pay towards their services having previously been assessed as not able to contribute towards the cost of their services
- 61% will have an increase in their contribution of more than £20 a week
- 34% will have an increase in their contribution of more than £50 a week

Consultation outcomes

Of the consultation responses received to date the following is known:-

- 15% agree that Carer's Allowance should be taken into account
- 48% disagree with taking Carer's Allowance into account
- 37% Do not know

When the proposals were presented to the Carers for Positive Change Group there was

an acknowledgement that this was outside the control of the Council, as it is a requirement under the Care Act, and as such, the authority has little option but to adopt the change. However, it was acknowledged that other incentivisation should be explored via the Carers Strategy.

3d. What don't you know?

We do not know if these service users will claim Disability Related Expenditure as part of the financial assessment process which may reduce any increase in their contribution.

3e. What might the potential impact on individuals or groups be?

(think about disability, race, gender, sexual orientation, transgender, age, faith or belief and those on low incomes and other excluded individuals or groups)

Generic (impact across all groups)	There are 38 service users who currently receive carer's allowance and have this disregarded in their financial assessment. These will need to be financially re-assessed. There will be an impact on people with a low income as the allowances that are currently applied when completing a financial assessment will be reduced meaning that people may have to pay more towards the cost of their care.
Men or women (include impacts due to pregnancy / maternity)	Whilst our approach does not positively or negatively impact either of these groups disproportionately it should be noted that in general, across health and social care, there are significantly higher levels of women receiving care and support than men. This is linked to demographics reflecting that generally women live longer than men and in turn need a high level of social care support. In turn this may mean that a greater number of women are affected.
People in a marriage or civil partnership	No impact.
People of particular sexual orientation/s	No impact.
Disabled people	As the people that are affected are in receipt of services it is likely that the changes will impact this group of people.
Particular ethnic groups	No impact.
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	No impact.
People on low incomes	There will be an impact on people with a low income as the allowances that are currently applied when completing a financial assessment will be reduced meaning that people may

	<p>have to pay more towards the cost of their care. However, our framework for charging does not create inequalities and it does recognise, in line with the Care Act principles for charging for care and support services, that people only pay towards their care and support needs what is affordable. These changes will ensure that our approach to charging is applied fairly and consistently to all service user groups in compliance with Care Act legislation.</p>
People in particular age groups	No impact.
Groups with particular faiths and beliefs	No impact.
Other excluded individuals and groups (e.g. <i>vulnerable residents, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>)	<p>This change will impact on carer's who are also service users as we will be taking carer's allowance into account in the financial assessment when it has been previously disregarded. This will mean that these people may need to pay more towards the cost of their services.</p>

Stage 4: Reducing / mitigating the impact

As a result of what you have learned, what can you do to minimise the impact of the proposed changes on equality groups and other excluded / vulnerable groups, as outlined above?

4a. Where you have identified an impact, what can be done to reduce or mitigate the impact?

Impact 1: Increase in financial contribution for service users in receipt of night care allowance

A period of transitional protection relief will be considered for those people who are significantly impacted by the adoption of this statutory requirement. Any application of transitional protection will be informed by practice of neighbouring local authorities and previous applications of this approach in adult social care.

This provides protection to those who are going to be significantly impacted by the change in contribution whilst minimising the impact on the collection of income.

As part of the financial re-assessments that will be required due to this change benefit checks will be completed to ensure that service users are receiving the correct benefit entitlement. Service users will be advised to claim for any additional amounts we feel they may be entitled to, for

	example Pension Savings Credit or Carers Premium, in order to ensure that their income is maximised.
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4b. Have you done, or will you do, anything differently as a result of the EIA?

Financial assessments
 Financial assessments will be completed and notification of the change in contribution will be sent to service users prior to any increase in charge being implemented giving service users the opportunity to ask questions and have the charges fully explained to them. The period of transitional protection will minimise the financial impact on service users in the first instance giving them time to make adjustments to their expenditure as required.

4c. How will the impact of the project, policy or proposal and any changes made to reduce the impact be monitored?

Financial assessments
 The outcomes of financial assessments will be recorded, including the previous charges and the new contribution due to the change in the non-residential charging policy. This will then be monitored and reviewed, including the mitigating actions taken, to ensure that the measures taken are effective.

Conclusion
This section should record the overall impact, who will be impacted upon and the steps being taken to reduce / mitigate the impact

Whilst there could potentially be negative impacts on a range of protected characteristic groups – disability service users who are also carers and people on a low income – appropriate mitigating actions have been identified to reduce the potential impact.

Stage 5: Signature	
Lead Officer: Kirsty-Louise Littlewood	Date: 7 December 2015
Approver signature: Mark Warren	Date: 7 December 2015
EIA review date: 12 months (December 2016)	

APPENDIX 1: Action Plan and Risk Table

Action Plan

*Once you have decided on the course of action to be taken in order to reduce or mitigate the impact, please complete the action plan below
(An example is provided in order to help you)*

Number	Action	Required outcomes	By who?	By when?	Review date
1 Financial Re-assessments	Financial re-assessments will be undertaken for all service users who will be affected by this change. As part of this the changes will be fully explained and details of any disability related expenditure will be collected, ensuring that appropriate allowances are made in the financial assessment.	<ul style="list-style-type: none"> • Service users will fully understand the charging policy and changes that are being made. • Information will be collected on disability related expenditure ensuring that financial assessments are accurate 	Angela Pemberton	31/03/2016	
2 Welfare Benefit Checks	As part of the financial reassessment a benefit check will be completed ensuring that service users are in receipt of their full benefit entitlement and their income is maximised.	<ul style="list-style-type: none"> • Referrals are made to Welfare Rights and DWP where appropriate to assist with benefit claims. • Income levels are reviewed for those service users where additional benefits are 	Angela Pemberton/Sophie Harland	31/03/2016	

		claimed to ensure that records are updated if income levels change.			
3 Transitional Protection	A period of transitional protection relief will be considered for those people who are significantly impacted by the adoption of this statutory requirement. Any application of transitional protection will be informed by practice of neighbouring local authorities and previous applications of this approach in adult social care.	<ul style="list-style-type: none"> The financial impact on those affected by the change is limited initially. 	Income & Assessment Team		
4 Monitor the impact of the change	Monitor the impact on service user's contributions and levels of income along with the income collected by the Council.	<ul style="list-style-type: none"> Reports can be produced to monitor the effects of the change. 	Sophie Harland/Karen Maders	31/03/2016	
6 Consider other options	Consider other options, under our carers strategy approach, to incentivise carers services.	<ul style="list-style-type: none"> Carers strategy is further developed with a focus on additional support measures for carers 	Angela Barnes	16/17	

Risk table

Record any risks to the implementation of the project, policy or proposal and record any actions that you have put in place to reduce the likelihood of this happening.

Ref.	Risk	Impact	Actions in Place to mitigate the risk	Current Risk Score	Further Actions to be developed
R1.1	Increase in complaints and appeals received due to the increase in service user's contributions		Transitional protection to be considered and financial re-assessments to be completed	CIII	Effective communication plan to be completed.



Equality Impact Assessment

E010 F – Adult Services – Maximising income (Residential fees)

Stage 1: Initial screening

Lead Officer:	Kirsty Littlewood, Head of Client Support Services
People involved in completing EIA:	Karen Maders Team Leader Income and Assessments
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	Yes x No Date of original EIA:

General Information

1a	Which service does this project, policy, or proposal relate to?	Adult Social Care – Residential Care Providers The proposal relates to the payment of residential care fees to providers as outlined in element F of the budget proposal referenced E010.
1b	What is the project, policy or proposal?	Residential Care Fee Payments Residential care fees are paid to care homes in and out of the borough of Oldham. Payments are made on a 4 weekly basis and are paid from the date of admission into care. On average the 4 weekly payments made are for £1,700,000 and relate to approximately 950 service users. The proposal is to limit the period that we will backdate the payment of fees for when the home have caused the delay in payment by not returning the appropriate paperwork or notifying us that a service user has been admitted.
1c	What are the main aims of the project, policy or proposal?	The main aims of the proposal are: <ul style="list-style-type: none"> • to ensure that homes notify us of changes and return paperwork in a timely manner • to allow us to manage budgets more accurately • to maximise income collection as invoices will be sent in a timely manner, difficulty can occur in

		collecting income if invoices are backdated for a lengthy period
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	This proposal may have a detrimental effect on residential care providers as they may not be paid for the full amount of care provided.

1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	x		<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in a marriage or civil partnership	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	X	<input type="checkbox"/>		<input type="checkbox"/>
Groups with particular faiths and beliefs	x	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
Residential Care Providers			X	
Residents of residential care homes			X	

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	X	

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes X No <input type="checkbox"/>
1h	How have you come to this decision?	The change proposed may have an impact on the payments received by residential care providers and may have an impact on the sustainability of their business. This in turn may have an impact on residents as if the care home they were residing in was to close down they would have to move to another home.

Stage 2: What do you know?

What do you know already?

We currently make payments on a 4 weekly basis to residential care providers the payments are 2 weeks in arrears and 2 weeks in advance. The payments relate to approximately 950 residents each period for a mixture of permanent and short term residential placements. The payments for each 4 week period are for approximately £1,700,000.

Financial Impact for residential providers

We have looked at the payments that have been made to residential providers from the start of this financial year to date the findings are as follows

- Payments in relation to 48 service users have been backdated for more than 56 days
- The sum of the backdated payments is £46,645

What don't you know?

We do not know whether the delay in the payments identified above was due to delays in our administration process or the homes returning the appropriate paperwork. We do not know how this would impact on the sustainability of providers in this area.

Further data collection

N/A

Summary (to be completed following analysis of the evidence above)

Does the project, policy or proposal have the potential to have a <u>disproportionate</u> impact on any of the following groups? If so, is the impact positive or negative?	None	Positive	Negative	Not sure
Disabled people	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in a marriage or civil partnership	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think that this proposal may affect negatively or positively?				
Residential Providers			X	
Residents of residential care homes			X	

Stage 3: What do we think the potential impact might be?

Consultation information

3a. Who have you consulted with?	Consultation questionnaires were sent to all the current residential providers to obtain their views on the options being explored regarding the backdating of fees.
3b. How did you consult? (inc meeting dates, activity undertaken & groups consulted)	Consultation questionnaires were emailed to all residential providers.

3c. What do you know?

Only 5 providers responded to the consultation and whilst they did not fully support the proposal to cease back payments, they acknowledged that there should be an element of reduction where the responsibility for non-response lay with the care home provider.

We asked respondents whether non-return of the appropriate contract paperwork for the placement in the home should result in the payment only being backdated to the date the paperwork is returned. 4 said that this approach should not be adopted, with 1 respondent stating it should.

Where respondents answered that they did not think it was appropriate, we queried over what timeframe this should apply to – 1 month, 2 months or 3 months plus. 1 respondent felt it should apply from month 1 and 2 respondents stated post 2 months. 1 respondent felt it shouldn't apply to a specific timeframe. The proposal focussed on the 3 month plus period to reflect that this is the practice adopted within our care at home market and ensures that the Council's accounts can be effectively monitored and profiled.

We also asked providers to consider a reduced fee rather than ceasing back payments, 4 providers felt that there should not be a reduction and 1 provider felt that this should be set at 10% less.

All 5 providers stated that the cessation of back payments should not apply in the following circumstances:

- When the paperwork hasn't been sent by the Council
- Where there is a query about the contract and this has already been raised
- Where we have been informed of IT issues which is affecting your return

We also queried whether we should pay the fee to the home, less any contribution the client has to make when 3 months or more has passed, in acknowledgement that we would be unlikely to be able to collect the fee where more than 3 months has passed. Only 1 respondent was in favour of this approach.

In addition, 1 respondent felt that it should be acknowledged that care home providers are facing the same pressures as local authorities and should be paid for this services it provides to

its residents, regardless of whether contracts have been returned. They raised concerns about late issue of contracts and how this could impact on them, especially in cases where CHC funding ceases and this passes to local authority funding. They feel consideration also needs to be given to how this would be implemented in practice and the practicalities of time frames, which should be addressed via the Care Home Partnership Forum.

3d. What don't you know?

Whilst the questionnaire was sent out directly, via email, to residential and nursing care homes in mid-October, the limited number of responses does not provide a holistic view.

3e. What might the potential impact on individuals or groups be?

(think about disability, race, gender, sexual orientation, transgender, age, faith or belief and those on low incomes and other excluded individuals or groups)

Generic (impact across all groups)	No impact.
Men or women (include impacts due to pregnancy / maternity)	No impact.
People in a marriage or civil partnership	No impact.
People of particular sexual orientation/s	No impact.
Disabled people	No impact.
Particular ethnic groups	No impact.
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	No impact.
People on low incomes	No impact.
People in particular age groups	No impact.
Groups with particular faiths and beliefs	No impact.
Other excluded individuals and groups (e.g. <i>vulnerable residents, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>)	Residential providers may have a reduction in the payments that they receive. Residents of residential care homes may be affected if businesses become unsustainable and close down as they would have to move to another care home.

Stage 4: Reducing / mitigating the impact

4a. Where you have identified an impact, what can be done to reduce or mitigate the impact?

<p>Impact 1 Residential providers not being paid the full amount for services that they have provided</p>	<p>A number of options regarding the backdating of payments are being considered; if the ceasing of backdating of fees only applies when the provider has not sent the appropriate documentation back in the specified period then providers could put processes in place to minimise the risk of this happening and we could also build into our processes communication to chase up any outstanding documents. Full communication will be entered into with providers to ensure that they are aware of any changes being made.</p>
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4b. Have you done, or will you do, anything differently as a result of the EIA?

N/A

4c. How will the impact of the project, policy or proposal and any changes made to reduce the impact be monitored?

N/A

Conclusion

This section should record the overall impact, who will be impacted upon and the steps being taken to reduce / mitigate the impact

N/A

Stage 5: Signature

Lead Officer: Kirsty-Louise Littlewood **Date:** 11.01.16

Approver signature: Maggie Kufeldt **Date:** 11.01.16

EIA review date: 12 months (October 2016)

APPENDIX 1: Action Plan and Risk Table

Action Plan

Once you have decided on the course of action to be taken in order to reduce or mitigate the impact, please complete the action plan below:

Number	Action	Required outcomes	By who?	By when?	Review date
1. Development of proposals in conjunction with affected providers	Proposals for the ceasing of back payments will be developed in partnership with the care home provider forum	<ul style="list-style-type: none"> Attend the care home provider forum with outline proposals Develop and implement proposals in partnership with providers Ensure proposals are reflected in contractual agreements with the homes 	Brokerage and Payments Team	February 2016	
2. Fee payments not being backdated	Processes will be put in place to ensure documentation is chased up at appropriate intervals	<ul style="list-style-type: none"> Documentation is chased up in a timely manner Staff are aware of their responsibilities in the process A clear audit trail is kept 	Brokerage and Payments Team	February 2016	
3. Communication will be sent to all homes advising of any changes	Letters and emails will be sent to all providers and head offices to advise them of any changes in payment terms. Contract terms will need to be changed/reviewed	<ul style="list-style-type: none"> Providers are fully aware of the payment terms Contract terms are agreed 	Brokerage and Payments Team Procurement	March 2016	

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	E012a – combining E007 – 1/12/2015
Portfolio	Health and Wellbeing
Directorate:	Health and Wellbeing
Division:	Adult Social Care
Responsible Officer and role:	Maggie Kufeldt Executive Director, Health and Wellbeing
Cabinet Member and Cluster :	Cllr Jenny Harrison Health and Wellbeing Cluster

Title:	Local Area Coordination / Prevention – An Asset-Based Approach to Adult Social Care and workforce redesign
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Section 2

2015/16 Budget for the section: <i>(Directorate):</i>	Expenditure	£73.812m
	Income	(£27.069m)
	Net Expenditure	£46.743m
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	N/A

	2016/17 £k	2017/18 £k
Proposed Financial saving:	824	0
Proposed reduction in FTEs	Approximately 3-4fte (£100k)	0

Section 3

Background:

Brief description of the proposal i.e.: what will be different, how will changes be implemented, timescale for implementation

This is a proposal to transform the way Adult Social Care is delivered in Oldham, in order to improve outcomes for all citizens, through the development of one coherent cross-sector model across the borough which takes an asset-based approach to prevention and early intervention.

This programme of work refreshes the approach to two existing savings programmes namely;

E007 – Workforce Redesign and
E012 – Local Area Coordination. This programme replaces the former proposal specifically and solely relating to Local Area Co-ordination.

The programme will cover the following two areas;

- a) A refreshed prevention strategy and
- b) Achieving savings through an evolving workforce /service redesign

a) *Prevention approach*

By building on the cooperative ethos of our borough, we will develop a new deal with our residents, communities and partners, to enable individuals, families and communities to become more resilient, independent and inclusive through the effective harnessing of their talents, resources and assets.

This approach provides the opportunity to shift the focus from people as passive recipients of health and social care, to people as valued citizens (irrespective of service labels) who have talents, assets and contributions. The programme as part of a developing targeted prevention strategy will view communities as inclusive and welcoming places to live that have a range of resources for mutual support and practical solutions.

It should therefore:

- a) prevent, delay or reduce demand for costly health and/or social care services . A reorganised `front door' to Adult Social Care will ensure where appropriate, referrals are directed to a revised prevention service

- b) build community capacity and resilience
- c) support service reform and integration
- d) enable limited valuable formal Adult Social Care services to be retained as a back-up to local solutions and to focus on more complex situations.

Although there is currently significant investment in Oldham to deliver wide-ranging prevention and early intervention activities, the borough doesn't have one coherent strategic approach to this activity for adults, which all parties are signed up to. This is fundamental if we are to deliver positive and long-lasting change to the health and wellbeing of all our citizens.

We plan to design a targeted prevention model that has at its heart the principles and ethos of Local Area Coordination (LAC) but builds on and redefines existing asset-based activity in Oldham, in order to increase resilience and independence at community, family and individual levels.

This asset-based model demands a policy shift away from paternalistic services and dependency on care and support, to enabling people and communities to do more for themselves, and each other. It requires positive risk taking and a change in culture and expectations of what adult social care delivers.

The Care Act has prompted questions about asset or strength-based assessments rather than the traditional deficit model, but a successful asset-based approach needs to deliver a broader and more fundamental shift in behaviour and practice.

The aim is that Adult Social Care will work in partnership with colleagues in Community Services, Pennine Care, Housing strategy, the voluntary sector, faith groups and communities to develop and agree one prevention model that would reduce future demand for formal adult health and social care services.

The aim is to have one main delivery vehicle for prevention and early intervention activity across the borough (with the flexibility to adapt provision in line with local neighbourhood requirements), which would bring together NHS and Council resources, using asset-based approaches and principles as the preferred method of working.

We would support the development of this integrated model and

	<p>way of working through use of a proportion of the invest-to-save funding set aside for Local Area Coordination in the Better Care Fund and in order to support the delivery of comprehensive reductions in future demand.</p> <p>This programme of work would enable the Council and our NHS partners to develop and articulate one coherent place-based approach to prevention and early intervention which would help realise our ambitions to increase community resilience, to maximise use of community assets, and to support and empower individual residents to identify and utilise their own talents and skills and those of their families and other networks of support in order to improve everyone's health and wellbeing.</p> <p>This combined/integrated model embodies the values and ethos of cooperative working, as it encompasses an ethical and fair approach to working with individuals and communities and delivers good social value as well as value-for-money.</p> <p>b) Workforce redesign</p> <p>The prevention strategy needs to be considered as one of the first stages of the customer journey and its success will have a direct impact on the configuration of ASC statutory service offers. It will necessitate a revised approach to deploying staff. A re-organisation of service structures will be needed for those occasions when the prevention offer is not sufficient to meet the needs of local citizens with high risk or more complex needs</p>
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc.</i></p>	<p>The development of one coherent strategic approach to prevention and early intervention, which will work across health and social care, will deliver savings on future additional demand of £200k. Reviewing and remodeling the role of Independence and Prevention Officers (IPO) so they are working to one integrated prevention model will achieve savings of £100k through reducing the number of posts by 3-4fets.</p> <p>Other actions required to deliver the remaining £374k reductions include;</p> <p>i) developing the role of the Review Team to embody LAC principles in order to identify alternate ways of supporting individuals in receipt of current low(er) cost personal budgets (saving £150k)</p>
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	<p>ii) progressing other redesign opportunities, such as the integration of Learning Disability services and the pooling of skills to enhance the ability of that service to engage differently with people who have complex needs, enabling and empowering people to increase their levels of independence. People’s current placements and/or packages of care/support will be reviewed to ensure their links in to their local communities and networks of support are enhanced in order to promote and increase levels of independence.</p> <p>iii) linking in with E005 (e) to develop an invest-to-save ‘housing with care’ model to enable us to bring back people with complex learning disabilities from expensive out-of-borough placements through the provision of suitable accommodation in Oldham</p> <p>iv) reviewing the use of estate/assets by Adult Social Care, including maximizing the use of the Link Centre, in order to reduce corporate landlord costs and/or bring in additional income to offset these costs</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>i.e. Capital implications or invest to save, pump priming etc. , variations to budget</i></p>	<p>£225k investment set aside in BCF for LAC will be used to:</p> <p>a) support the development of a programme of work to design, develop and deliver this new integrated approach (£70k)</p> <p>b) support other activity to deliver the savings (£90k)</p> <p>c) invest £65k in 2fte Care Coordinators to support the delivery of core statutory duties as this capacity will be reduced when IPO roles are remodelled and numbers reduced.</p> <p>This solution will ensure that the resources already invested in developing and supporting community assets/resilience in Oldham can be effectively exploited/adapted so as not to duplicate effort and/or investment.</p>
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<p><u>Property Implications</u></p>	<p>Consideration will need to be given to how the Link Centre for Independent Living is used and resourced as well as our use of other council estate/assets.</p> <p>ASC use of other building will be undertaken as part of a wider implication of the new Locality Care Organisation developments and aim to integrate health and social care front line services.</p>
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Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Establish Strategic Leadership Team and hold first meeting to agree vision, approach, scope, timescales	4 January 2016
Set-up cross-sector operational team and hold first workshop to agree terms of reference, membership, develop project plan, identify key stakeholders, develop communications plans	29 January 2016
Engagement with key stakeholders to ensure genuine and effective co-production of approach/model	February to April 2016
Cross-sector, cross-borough model/approach agreed; development of staffing model and consultation with staff and TUs concluded	April to May 2016
Implementation of model (phased approach)	June/July 2016
Evaluation of phase 1, revision and roll-out of other phases	October 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
The timeframe is too short, allowing insufficient time for genuine co-production, which would negatively impact on the success of the approach	Early conversations to be held with key stakeholders to ensure buy-in across the Council, CCG and the Health & Wellbeing Board. Approach already made to key stakeholders across the Council.
Without the development of a comprehensive information resource, there will be disparate and different levels of knowledge about the community resources, assets, and facilities available	Development and roll-out of new service directory already underway – will need to re-appraise and consider use of other options e.g. NHS Choices. Options appraisal also planned to identify relevant digital solutions to support independence, self-management, (supported) self-help
Lack of engagement/obstacles to integration of full range of existing models leads to missed deadlines and/or dilution of approach, which risks effectiveness	All models already embody principles of asset-based approach to prevention in order to build resilience, increase independence and improve wellbeing of citizens, so there is already a shared understanding/common purpose. Early engagement with key partners planned.
Suitable housing with care options to be set up in Oldham to enable people with learning	E005 to progress at pace and use of HRA moneys to invest in new building

disabilities to return to the borough and as such savings realisations will extend to the 2017/18 financial year	infrastructure to be progressed
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Section 5

What impact will the proposal have on the following?

Service Delivery and future expected outcomes:

This proposal will support the transformation of health and social care and offers a fundamental shift in organisation and practice which views people as contributing citizens rather than passive service users/patients.

The prevention delivery model will provide a local, accessible point of contact in each cluster/neighbourhood area, effectively becoming the new “front door” for people who are vulnerable as a result of age, disability or mental illness. Staff will work with individuals, families and communities to help identify and develop non-service solutions, helping people identify their strengths and networks of support, providing connections, information, and guidance. They will help to build inclusive, resourced local communities, support people to develop practical ways of meeting their goals and needs, and enable citizens to access facilities, services, resources and other opportunities.

An integrated health and social care learning disability service will ensure a range of professional skills can be deployed to both prevent the need to place out of borough but facilitate the return of those with complex behaviours.

Organisation (other services)

The success of this extensive transformative model depends on the effective engagement, agreement, and participation of all parts of the Council, the NHS and other partners, through the Health and Wellbeing Board, the Integrated Commissioning Partnership and other key strategic bodies.

Workforce

This is an innovative approach that will require the remodelling and reduction of some job roles in adult social care (IPOs), and is also likely to require the flexing/remodelling of job roles in other services both in and outside the Council.

These (new) roles will nurture local solutions and keep people strong. They will need to have strong local knowledge and a commitment to local people and communities, and they must be good at building relationships with people and have the requisite range of functional skills necessary to carry out the job effectively.

This approach supports integration and, as such, should provide the drive for

workforce redesign across the whole health and social care sector. Economies of scale will be achieved through the sharing of some management posts.

It has been identified that there will be an impact on the delivery of key statutory functions in adult social care as a consequence of revising the role of IPOs and reducing the number of ftes, so this will be mitigated (at least in the first year) by the recruitment of 2fte additional Care Coordinators.

There are therefore significant workforce implications and learning and development impacts in order to design and deliver new roles and disestablish others to deliver new ways of working to support the implementation of the integrated prevention model.

Communities

Expected outcomes include making communities more inclusive, increasing community acceptance of all people with disabilities, enabling people to stay in their own homes and local communities rather than moving into residential accommodation, enabling the set-up of community organisations and the development of employment opportunities, making better use of community resources and being more cost-efficient.

Service Users

Anticipated outcomes for people supported through this approach include individuals having increased social networks, that they feel more in control of their lives, feel better informed to make decisions, feel better connected to and involved in their local community, feel better able to share their talents and skills with others, feel more confident about the future, and feel less isolated. A positive risk taking approach culture will need to be supported by all stakeholders.

Partner Organisations (Public & Private) incl Third Sector (Voluntary, Faith & Third Party Organisations)

This is an integrated model of delivery, requiring the effective engagement and participation of partner organisations and the public. They will be involved in co-designing, co-developing, co-commissioning and co-delivering the approach and model. Expected outcomes are that this approach will decrease emergency hospital admissions, reduce the use of GPs, increase the use of voluntary/3rd sector services and facilities, reduce the number (or cost) of people needing formal health and/or social care interventions/services.

Section 6

Supplementary Information

None

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	April to May 2016 (45 days)
Staff Consultation	April to May 2016 (45 days)
Public Consultation	No additional consultation required
Service User Consultation	As Above
Any other consultation	Discussions have commenced with key departments across several directorates in the Council. Cross-sector project team to be formed to include Council, CCG and voluntary sector representation.

Section 8

Equality Impact Screening

Is there **potential** for the proposed saving to have a disproportionate adverse impact on any of the following groups:

	State Yes / No against each line
Disabled people	Yes
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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	Yes
Groups with particular faiths/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes
EIA to be completed by:	Barbara Guest
By:	January 2016 (Stage 1); May 2016 (Stages 2&3 if required)

Section 9

Responsible Officer:	Mark Warren
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Support Officer Contact:	Ellen Marchbank-Smith
Support Officer Ext:	3125

Cabinet Member Comments and/or approval

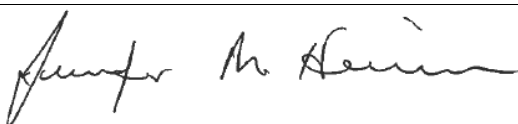
Approved

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	7 December 2015
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr Jenny Harrison – Cabinet Member for Social Care & Safeguarding
Signed:	
Date:	7 December 2015

Equality Impact Assessment Tool

E012a -Prevention – An Asset-Based Approach to Adult Social Care and workforce redesign

Stage 1: Initial screening

Lead Officer:	Barbara Guest
People involved in completing EIA:	Barbara Guest
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	Yes

General Information

1a	Which service does this project, policy, or proposal relate to?	Prevention – An Asset-Based Approach to Adult Social Care and workforce redesign (Budget Reference: E012a)
1b	What is the project, policy or proposal?	<p>This proposal refreshes the approach to two existing budget savings proposals namely;</p> <p>E007 – Workforce Redesign saving £150k E012 – Local Area Coordination. This proposal completely replaces the former proposal specifically and solely relating to Local Area Co-ordination, saving £674k</p> <p>It is proposed to deliver:</p> <p>a) One prevention strategy and an agreed model of delivery for prevention and early help across the borough, bringing together resources across the Council, CCG, Housing and other relevant partners.</p> <p>It will require the disestablishment of the Independence and Prevention Service in Adult Social Care to ensure that all staff are working to one integrated prevention model. This will achieve savings through reducing the number of posts by 4ftes in order to make savings of £100k.</p> <p>b) Achieving £150k savings through an evolving redesign of integrated health and social care workforce and services.</p>

		<p>The remaining savings will be made through a range of actions, including:</p> <ul style="list-style-type: none"> • reviewing support plans for those in receipt of low(er) cost personal budgets to identify alternate ways of supporting individuals through better use of community resources/services • integrating learning disability services across health and social care • developing a 'housing with care' model to bring back people with complex learning disabilities from expensive out-of-borough placements through the provision of suitable accommodation in Oldham • reviewing the use of estate/assets by Adult Social Care, including the use of the Link Centre
1c	<p>What are the main aims of the project, policy or proposal?</p>	<p>Prevention Strategy</p> <p>By building on the cooperative ethos of our borough, we aim to develop a new deal with our residents, communities and partners, to enable individuals, families and communities to become more resilient, independent and inclusive through the effective harnessing of their talents, resources and assets.</p> <p>Although there is investment in Oldham to deliver wide-ranging prevention and early intervention activities, the borough doesn't have one coherent strategic approach to this activity for adults, which all parties are signed up to. This is fundamental if we are to deliver positive and long-lasting change to the health and wellbeing of all our citizens.</p> <p>We plan to design a targeted prevention model that has at its heart the principles and ethos of Local Area Coordination but builds on and redefines existing asset-based activity in Oldham, in order to increase resilience and independence at community, family and individual levels.</p> <p>This programme would enable the Council and our NHS partners to develop and articulate one coherent place-based approach to prevention and early intervention which would help realise our ambitions to increase community resilience, to maximize use of community assets, and to support and empower individual residents to identify and utilise their own talents and skills and those of their families and other networks of support in order to improve everyone's health and</p>

		<p>wellbeing.</p> <p>Workforce/Service Redesign</p> <p>The prevention model will be one of the first stages of the customer journey and its success will have a direct impact on the configuration of the adult social care statutory service offer(s). It will necessitate a revised approach to deploying staff. A re-organisation of service structures will be needed for those occasions when the prevention offer is not sufficient to meet the needs of local citizens with higher risk or more complex needs.</p> <p>The model to integrate health and social care provision will provide opportunities to realise workforce savings.</p>
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	Any resident who may be vulnerable due to age, frailty, loneliness, illness, mental ill-health, physical, sensory or learning disability.

1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in a Marriage or Civil Partnership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
		<input type="checkbox"/>	<input type="checkbox"/>	

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Unclear at this stage – some aspects have potential to be negative in the short-term but in the medium to longer-term the impact should be positive	
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1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1h	How have you come to this decision?	A number of the Intervention and Prevention Officers provide direct services to particular BME communities, as well as providing support across the borough with welfare benefit claims, helping to resolve debts and general tenancy support services, as well as casework support to social workers. The replacement of this role and loss of 4ftes may have a detrimental impact on BME communities, people with disabilities and people on low incomes if the integrated offer isn't able to be established quickly enough. As the vast majority of social care service users are aged 65+ then any change in service provision is likely to impact on older people.

Stage 2: What do you know?

What do you know already?

A number of the IPOs provide direct services to particular BAME communities, as well as providing support across the borough with welfare benefit claims, helping to resolve debts and general tenancy support services, as well as casework support to social workers. The replacement of this role and loss of 4ftes may have a detrimental impact on BAME communities, people with disabilities and people on low incomes if the integrated offer isn't able to be established quickly enough. As the vast majority of social care service users are aged 65+ then any change in service provision is likely to impact on older people.

Service Managers are currently gathering in-depth data about size of caseloads, target groups for delivery, capacity and use of IPO services in all locations across the borough.

An initial briefing session took place with affected staff on 14 January 2016 to gather information about potential impacts. It was clear from the feedback that impacts would be felt across a number of BAME communities, specifically Bangladeshi, Indian and African-Caribbean. It was agreed with staff that further detailed information, including observation of staff and focus-group style consultation with affected communities would be undertaken to fully understand all impacts

and how these can be mitigated. These discussions will also help inform the development of the new integrated prevention roles currently under consideration.

What don't you know?

A detailed analysis of all IPO work is required, plus consultation with service users, staff, and community organisations, supplemented by some observation sessions in community outreach sessions to fully inform this analysis.

Further data collection

See 'What don't you know?' section.

This EIA cannot be completed further at this point in time but will be updated as development of the model progresses.

Stage 5: Signature

Lead Officer: Barbara Guest Date: 28/01/2016

Approver signature: Mark Warren Date: 28/01/16

EIA review date: May 2016

APPENDIX 1: Action Plan and Risk Table

Action Plan

Once you have decided on the course of action to be taken in order to reduce or mitigate the impact, please complete the action plan below (An example is provided in order to help you)

Number	Action	Required outcomes	By who?	By when?	Review date
1	On transition to new service ensure that face-to face briefings take place with service users	<ul style="list-style-type: none"> ➤ Service users and families feel reassured about what is going to happen next ➤ A list of potential risks associated with the transition to be drawn up following briefings and these risks managed 	Name of officer/s	Insert date	Insert date

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	D006
Portfolio	Economy and Skills
Directorate:	Education and Early Years
Division:	School Places Planning – Access Teams
Responsible Officer and role:	Caroline Sutton – Director Education and Early Years
Cabinet Member and Cluster :	Cllr S Akhtar - Education & Skills

Title:	Home School Transport
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Section 2

2015/16 Budget for the section: <i>(By Division):</i>	Expenditure	£2,899k
	Income	(£822k includes £712k of DSG Income)
	Net Expenditure	£2,077k
Total posts numbers in section: <i>(By Division)</i>	FTE	33 including 20FTE pupil escorts

	2016/17 £k	2017/18 £k
Proposed Financial saving:	148	N/A
Proposed reduction in FTE's	N/A	N/A

Section 3

<p><u>Background:</u></p> <p><i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i></p>	<p>In September 2014, Leadership Star Chamber considered a report which set out a five year programme (2015-2020) aimed at redesigning the Council's approach to the provision of Home to School and College Transport. This included a number of options for change including:</p> <ul style="list-style-type: none"> • The offer of personal budgets as an alternative • Independent travel training • Designated pick-up and drop-off points • Including travel costs in the overall costs of Out of Borough Placements • Reviewing the procurement strategy and current pricing structure • Reviewing the current transport policy and its eligibility
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	<p>criteria</p> <ul style="list-style-type: none"> • Exploring the provision of passenger assistants by contractors <p>Savings will be realised from 2017/18 following a policy review which will be implemented in 2016/17 and the review of the procurement strategy and pricing structure. As this reduction had already been accepted, we propose to make £148K savings in 2016/17 through compensating budget reductions in other areas.</p> <p>Work is also under way with Bury and Rochdale Councils to explore how joint working might also provide more effective services at reduced cost.</p>
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<p>Proposed Savings £k: <i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	£148k in 2017/18
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<p>Further Financial Implications & Considerations <i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>Pump priming funding is required to ensure there is sufficient capacity within the team to carry out the work required to implement the service re-design.</p> <p>Pump priming would also support the implementation of independent travel training for an initial cohort of young people, allowing evaluation of the impact and its longer term sustainability.</p>
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	Private contractors who provide the transport services will be contracted under more efficient terms and conditions. This may result in lower payments made on the basis of the work they undertake only.
Type of impact on partners	Negative

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
EIA	July 2015 – August 2015
Consultation within PVFM timeline	Any consultation required for initial reductions to be complete by 18 March 2016
Consultation with POINT (parent partnership group)	Any consultation required for initial reductions to be complete by 18 March 2016
Consultation with schools and colleges	Any consultation required for initial reductions to be complete by 18 March 2016
	Any consultation required for initial reductions to be complete by 18 March 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Parents of children affected by the changes object to the proposals	Consultation through SENDIASS (parent partnership)
Reductions are sufficient to meet current budget pressures but do not deliver further efficiencies	Ongoing monitoring and financial evaluation of specific proposals
Increased demand for transport, driven by growing pupil population and increases in EHCs and the 0-25 agenda, offsets savings	Ongoing monitoring of demand for transport and pupil trends to identify issues early and facilitate optimisation of the transport network

Section 5

What impact might the proposal have on the following?

<u>Property Implications</u> <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
None

<u>Service Delivery and future expected outcomes:</u>
It is anticipated that the proposals will change the way that home to school transport services are delivered, but that outcomes will not be adversely affected.

<u>Organisation (other services)</u>

Schools and colleges will be consulted and some schools/colleges may have to modify some of their arrangements for students' arrival and departure.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

It is possible that some minor modifications to working patterns may be necessary.

Communities

None

Service Users

In optimising the transport network there may be a requirement for more shared transport, rationalisation of pupil escorts and changes to transport routes, but adverse impacts will be minimised as far as possible and service users consulted.

Where appropriate there will be support and training available to facilitate independent travelling, improving outcomes for these young people in readiness for, further education and training, employment and independent living.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

The Council's partnership with SENDIASS (formally parent partnership) will be critical in ensuring that the proposals are supported by parents of children and young people with Special Educational Needs and Disabilities.

Section 6

Supplementary Information

The implementation of the proposals will be closely monitored to ensure that service users are safe and not significantly disadvantaged.

Section 7

Consultation Information –

The groups and individuals identified in the Cabinet report January 2016, will be included in the consultation. These are as follows:

Parents and carers

- Children and Young People
- Schools and Colleges
- School Governors
- School Heads
- SENCOs

Point SENDIASS	
NB – All public consultations must be completed prior to approval by Cabinet/Council.	
Trade Union Consultation	Consultation to commence 1 February 2016 and complete by 18 March 2016.
Staff Consultation	Consultation with staff will be necessary and will start 1 February 2016 and complete by 18 March 2016.
Public Consultation	Consultation to commence 1 February 2016 and complete by 18 March 2016.
Service User Consultation	Consultation will be undertaken with service users through SENDIASS, beginning in February 2016 and complete by 18 March 2016.
Any other consultation	No other consultation identified as required

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	Yes
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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	Yes
Groups with particular faiths/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes
EIA to be completed by:	Gill Hoar
By:	31 August 2015

Section 9

Responsible Officer:	Gill Hoar
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Support Officer Contact:	Sharon Davies
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Support Officer Ext:	1138
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Cabinet Member Comments and/or approval

Approved


Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	18 November 2015
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr S. Akhtar
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Signed:	
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Date:	18 November 2015
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Approval by Supporting Cabinet Members

Cabinet Member:	
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Equality Impact Assessment

D006 - Home to School Transport

Stage 1: Initial screening

Lead Officer:	Gill Hoar
People involved in completing EIA:	Matthew Prenton
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	Yes Date of original EIA:

General Information

1a	Which service does this project, policy, or proposal relate to?	<p>The Access Team provides the delivery of the current Home to School Transport service. This service provides support for over 500 children and young people with Special Educational Needs and Disabilities.</p> <p>Transport is provided via contracted Private Hire and Mini bus operators to schools within and outside of the borough. The funding for Home to school transport is provided centrally for this cohort of children and young people, this is an area of support which can't be funded via the DSG.</p> <p>Transport is also provided for a smaller number of families via a financial reimbursement of mileage costs for parents transporting their own children to and from school.</p>
1b	What is the project, policy or proposal?	<p>The team are currently working closely with Rochdale and Bury Council, to identify where further efficiencies can be made in the delivery of the current service in addition to those brought about by the integration of services in 2009.</p> <p>The areas currently for consideration are :</p> <ul style="list-style-type: none"> • Home to School Travel Assistance Policy • Independent Travel Training • Joint Procurement Strategy

		<p><u>Home to School Travel Assistance Policy</u></p> <p>The current strategy is to produce a policy framework which will be co-produced via collaboration across the 3 authorities and feedback from consultation with stakeholders.</p> <p>Initial work done aims to address the changes brought about via the SEND reforms 2014, and places a greater importance on the preparation for adulthood and development where appropriate of independence, and offer a range of different provisions as an alternative to door to door transport, such as financial reimbursement for mileage or a personal budget for a family to arrange support themselves.</p> <p><u>Independent Travel Training</u></p> <p>As outlined above the development of skills for young people to be able to support themselves when travelling aligns with a key area of the SEND reforms around preparation for adulthood, and developing children and young people’s ability to fulfil aspirations of gaining qualifications and moving into further education, training and employment.</p> <p><u>Joint Procurement Strategy</u></p> <p>A shared procurement framework is being considered currently between Rochdale and Oldham. Once this has been delivered by Rochdale we will consider the potential options for the next tender due Spring 2016.</p> <p>The group is also looking at other areas which will improve service delivery and efficiency with minimal impact to service users, these include:</p> <ul style="list-style-type: none"> • IT working group to develop current software used across all 3 authorities. • Passengers Assistant –policy for provision, and potential use of other resources to provide staff.
1c	What are the main aims of the project, policy or proposal?	The Authority is seeing a rising demand on the current transport service. Coupled with the 0-25 agenda brought about by the 2014 SEND Reforms, support will need to be provided to more children and young people for a longer period of time.

		Across all the areas for development, the project aims to reduce this increasing level of demand on the service, and where it is possible, will support the development of independence skills, give families the ability to support themselves and assist in allowing children and young people to reach their full potential and achieve their aspirations, through the ability to attend education and training.
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	<p>Where a child or young person has the ability to travel independently, or where a family have the ability to support a child or young person to and from education or training, a potential new policy may change the level of provision on offer.</p> <p>In some cases where a development of independence skills is offered this would be beneficial to an individual.</p> <p>Where there is an offer to a family of a personal budget rather than door to door transport, this may not be seen a benefit.</p> <p>It is intended that in all cases where support is being offered the level of support will be dictated by a risk assessment of the child or young person and the family circumstances.</p> <p>It is not yet known the level of change to any new policy; however, historically existing levels of support have not changed to service users following the implementation of a new policy, until such time as there would naturally be a need to reassess support, such as a transition between phases of education or a change of school/college.</p>

1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in a Marriage or Civil Partnership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
<i>E.g. vulnerable residents, homeless people, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>		<input type="checkbox"/>	<input type="checkbox"/>	

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	At this stage no changes are being made to current provision. The project is at the point of requesting permission to consult on the content of a new policy.	

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
1h	How have you come to this decision?	At this point the project is at the stage of requesting consultation. No decisions have been taken regarding changes to the current policy. A full EIA may need to be completed when a new policy is being drafted following a review of consultation responses.

Stage 5: Signature		
Lead Officer:	Gill Hoar	Date: 22.10.15
Approver signature:	Caroline Sutton	Date: 22.10.15
EIA review date:	October 2016	

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	D007
Portfolio	Economy and Skills
Directorate:	Education and Early Years
Division:	Early Years
Responsible Officer and role:	Caroline Sutton– Director Education and Early Years
Cabinet Member and Cluster :	Cllr S Akhtar - Education and Skills

Title:	Reduced Support for Council Operated Daycare Centres
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Section 2

2015/16 Budget for the section: <i>(By Division):</i>	Expenditure	£898k
	Income	(£614k)
	Net Expenditure	£284k
Total posts numbers in section: (By Division)	FTE	27.20

	2016/17 £k	2017/18 £k
Proposed Financial saving:	80	N/A
Proposed reduction in FTE's	27.20	N/A

Section 3

<p><u>Background:</u></p> <p><i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i></p>	<p>£80k saving relating to reduction in support for the Council operated daycare settings. There are 3 fully operated by the Council and 1 still run by a school but receiving a subsidy.</p> <p>The future of the Council operated daycare under the direct management of Oldham Council continues to be problematic and this is something that needs additional time to fully consider the wider political implications.</p>
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>It is proposed that an £80k budget reduction for 2016/17 can be achieved and met through any in year underspends for 2015/16 being placed in reserves and carried forward for 2016/17.</p> <p>The childcare market is a very complex and volatile area that requires extensive time to explore, develop and debate options that will enable the Council to achieve some budget reductions whilst having the minimum impact on the families and the childcare market. In particular, consideration regarding the future delivery of daycare by Oldham Council requires a wider political debate.</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>Options may include outsourcing to the PVI sector, a school-led delivery model or full withdrawal of Council funding support.</p> <p>One-off funding may be required to bridge any timing gap or transfer costs to achieve the delivery of recurring reductions, recognising that it may take time to implement final arrangements, particularly if tendering processes are required or children need to be moved to alternative provision where timing will best correspond with the end of a school year.</p> <p>Since the inception of this budget reduction proposal officers have worked to develop options for removing the £80K reduction whilst retaining effective childcare provision.</p> <p>More time is required to develop sustainable options that will secure childcare provision.</p>
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	Ranging from none to all staff depending on the option taken forward during 2016/17
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	Loss of the sustainability funding to the school-run day care centre of £20K
Type of impact on partners	Not Known

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Mandatory – Completion of EIA & Consultation within PVFM timeline	Scheduled to complete as soon as possible once options have been identified and to ensure that any

Initial £80K saving through effective budget management	deliverable savings can be included in the 2017/18 budget.
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Key Risks and Mitigations	
Risk	Mitigating Factor
That sufficient day care cannot be provided without Council financial support (particularly in light of extra provision required to deliver the Government's 30 hour offer)	Thorough examination of potential options and appropriate consultation to ensure selected option is deliverable
Delays to selection and implementation of savings option whilst awaiting Government announcements on 30 hour childcare offer	Options to be developed taking in all potential considerations around the 30 hour childcare offer
Changes in staffing numbers due to becoming vacant can impact on the quality of the provision and the impending Ofsted inspections which are overdue at two daycare sites. This can also impact on parents choosing to move their children to another day care setting which will also result in loss of income.	Staff replacements are progressed quickly to ensure that key quality workers are in place. Temporary management cover remains in place.
Government funding for 2, 3 & 4 year olds can only be paid to settings that are of an appropriate standard. Any downgrading by Ofsted would impact on reduced income from places. Therefore, if the Ofsted grade were less than 'good' at next inspection then this would mean that the setting is no longer eligible to access grant funded 2 year old children, and if a setting receives an 'inadequate' Ofsted judgement then the setting would no longer be eligible to access any grant funding 2, 3 or 4 year olds.	Temporary management cover remains in place to push forward the new Ofsted Inspection compliance standards

Section 5

What impact might the proposal have on the following?

Property Implications <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
Potential property implications depending on the proposals developed notably if the daycare centres are outsourced to an external provider then they will need to work in partnership with the children's centre who have responsibility for the sites. If daycare closure is selected for a setting then the space occupied by the daycare on the children's' centre site will require repurposing in line with previous funding conditions. It should be noted that the daycare centres are located within children's centres footprint and are attached or adjacent to primary schools.

Service Delivery and future expected outcomes:

Continue to manage the daycare settings under the current temporary management arrangements whilst securing alternative providers and sufficient childcare and early education places.

Organisation (other services)

These proposals are not expected to impact on other Council services as they will be developed to take into account the Government's 30 hour childcare offer. However they should result in reduced management time required from the Schools and Early Years team and Human Resources.

Workforce

***Note:** Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models*

Workforce implications will depend on the preferred option developed and taken forward. It is possible that Council staff will TUPE transfer to an alternative provider or redundancies may result if any of the current daycare centres close.

Communities

Communities may lose access to current facilities and need to seek alternative childcare provision if the existing centres are closed.

There will be a need to maintain a sufficient childcare market across Oldham that offers a choice of high quality settings and meets the needs of working parents and those accessing training and volunteering.

Service Users

By maintaining the current provision there will be no immediate impact on services, although if the centres are closed families may need support to find alternative provision.

If the daycare centres are outsourced, long term prices would be set independently of the Council and may impact on the cost of childcare for Oldham residents.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

As set out in the workforce section above, there may be reductions in staffing compared to current contracts and/or potential TUPE transfers of staff.

Section 6

Supplementary Information

None

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	<ul style="list-style-type: none"> • Meetings held with GMB, Unison and Unite unions to brief on proposal and seek feedback. • Representatives of the above unions attended the staff consultation meeting held on 13 October and 8 December 2015
Staff Consultation	<ul style="list-style-type: none"> • Consultation meeting held with all daycare staff on 13th October and 8 December 2015 • All staff given opportunity for a 1:1 meeting with Service Manager at each daycare site.
Public Consultation	Proposal posted on the Council's 'Let's talk budget' website.
Service User Consultation	Consultation with parents of children who use daycare to be arranged.
Any other consultation	<p>Proposals have been reported to the following groups for information/comment:</p> <ul style="list-style-type: none"> • Planning School and Setting Places Group; • Early Years and Childcare Core Group (This is the practitioner forum that reports to the Early Years and Childcare Board).

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	Yes (Mothers of young children)
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	No
People on low incomes	Yes
People in particular age groups	Yes
Groups with particular faiths/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes
EIA to be completed by:	Gerri Barry
By:	January 2016

Section 9

Responsible Officer:	Gill Hoar
Support Officer Contact:	Sharon Davies
Support Officer Ext:	x1138


Cabinet Member Comments and/or approval
Approved

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	18 November 2015
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr S Akhtar
Signed:	
Date:	18 November 2015

Approval by Supporting Cabinet Members

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

D007 - Reduced Support for Council Operated Day-care Centres

Stage 1: Initial screening

Lead Officer:	Gill Hoar
People involved in completing EIA:	Gerri Barry
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	<p>Yes X No</p> <p>Part of this project has had an EIA: Beaver & Spring Meadow Daycare report ref: 1071 Date of original EIA: April 2012</p>

General Information

1a	Which service does this project, policy, or proposal relate to?	<p>Early Years and Childcare Services</p> <p>The service currently manages 3 daycare settings:</p> <ul style="list-style-type: none"> • Beaver Daycare • Spring Meadow Daycare • First Steps @ Richmond Daycare <p>Stanley Road School Daycare which is under the management of the school governing body.</p>
1b	What is the project, policy or proposal?	<p>Leadership Star Chamber ref D007 has been approved to look into and consider options to save £80,000 – Reduced Support for Councils Operated Daycare centres</p> <p>The options will focus on reducing or totally withdrawing year on year sustainability funding to 4 daycare settings. The daycare businesses are self-financing with income generated from fees and grants for children accessing their free early education (2, 3 & 4 year old grant funding) This budget has historically been used to meet the end of year business losses.</p> <p>3 of these settings are currently under the leadership and management of Oldham Council following a transfer from school governing bodies in 2012 and 2013 (Beaver, Spring Meadow and First Steps @ Richmond Daycare). This accounts for £60,000.00 of the proposed</p>

		<p>reduction.</p> <p>There is no budget provision for the daycare businesses. The daycare businesses are modelled to be self-funding relying on income from grants and fee paying parents. The businesses are required to break even with losses not to be underwritten by the Council at year end.</p>
1c	<p>What are the main aims of the project, policy or proposal?</p>	<p>To remove the sustainability funding for Oldham Council daycare settings. For the 3 managed by Oldham Council the following options will be considered:</p> <ul style="list-style-type: none"> • Option 1 - Oldham Council continue delivery but with a reduced cost base or increased income to achieve a 'break even position'. • Option 2 - To integrate services for 2, 3 & 4 year olds that are currently delivered by the council into the schools foundation stage. • Option 3 - Oldham Council agrees to alternative providers taking over the businesses • Option 4 - If none of the above prove feasible, a closure of each setting may need to be considered <p>A different decision may be made for each daycare dependant on circumstances and the outcome of the option review.</p> <p>At this stage no decision has been made and we are in discussions with providers.</p> <p>The 3 Oldham Council businesses above have been recently remodelled to reduce costs and now offer a sessional delivery model two sessions a day, term time only for 2, 3 & 4 year olds. The expectation of the remodelled businesses was to become increasingly more self-sufficient and reduce reliance on Oldham Council for subsidies in the future. Notwithstanding the successful aspects of the businesses, regrettably the Council daycares are still in a position where subsidy funding will be required due to the volatile and unpredictable nature of the childcare market. This is a complicated area and makes it difficult to predict and achieve a balanced budget.</p>

		<p>Occupancy levels</p> <p>Occupancy levels have fluctuated at all 3 daycare businesses across the terms throughout the time they have been under Council management. At times it has been difficult to attract new children particularly in the higher age range. Sustainability funding has still been required to support all 3 daycare businesses at the end of each financial year. We are currently forecasting year end losses for 2015/16. In September 2015 child vacancy levels have been higher than expected particularly for 3 & 4 year olds at Beaver and Spring Meadow daycare. This has been in some part due to families moving to take up a place in the school nurseries. First Steps @ Richmond Daycare child vacancy levels have been higher than expected particularly for 2 year olds. This is an on-going risk that could further impact on the end of year losses.</p> <p>Ofsted</p> <p>All 3 daycare businesses are currently rated by Ofsted as 'good' and 'outstanding' and two are overdue re-inspection and one due inspection in June 2016 under the new Ofsted inspection framework.</p> <p>Government funding for 2, 3 & 4 year olds can only be paid to settings that are of an appropriate standard. Any downgrading by Ofsted would impact on reduced income from places. Therefore, if the Ofsted grade were less than 'good' at next inspection then this would mean that the setting is no longer eligible to access grant funded 2 year old children, and if a setting receives an 'inadequate' Ofsted judgement then the setting would no longer be eligible to access any grant funding 2, 3 or 4 year olds.</p>
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	<p>If no other provider comes forward to take over the daycare businesses and option 4 is the chosen option then:</p> <p>Staff at the daycare settings could be made redundant. S188 consultation finished on 26 November 2015.</p> <p>Families accessing the daycare may have to find alternative childcare arrangements</p> <p>However, we are not at this stage yet. We are still exploring options and no decision has been made.</p>

1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Particular ethnic groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Men or women (include impacts due to pregnancy / maternity)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
People of particular sexual orientation/s	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in a Marriage or Civil Partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
People in particular age groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
Groups with particular faiths and beliefs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
<i>E.g. vulnerable residents, homeless people, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>		<input type="checkbox"/>	<input type="checkbox"/>	

1f. What do you think that the overall NEGATIVE impact on groups and communities will be? Please note that an example of none / minimal impact would be where there is no negative impact identified, or there will be no change to the service for any groups. Wherever a negative impact has been identified you should consider completing the rest of the form.	None / Minimal	Significant
	<input type="checkbox"/>	Not sure
	At this point no decision on the D007 savings option has been made.	

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>A full EIA may need to be completed for each individual daycare settings depending on the outcome of the options review and feedback from the consultations currently taking place</p>
1h	How have you come to this decision?	At this stage no decision has been made consultation with staff closed on 26 November 2015. As this is a very complex and volatile area and requires an extensive

		<p>allocation of time to explore, develop and debate the options for each daycare. A request to extend any decision is being made. This will enable the Council to achieve some budget reductions whilst having the minimum impact on the families and childcare market.</p> <p>A full EIA would need completing if Option 4 was to be progressed in the future for each site, the removal of sustainability funding could result in closure and invoke redundancies if no other provider came forward</p>
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Stage 5: Signature	
Lead Officer: Gill Hoar	Date: 07.12.15
Approver signature: Caroline Sutton	Date: 07.12.15
EIA review date: March 2016	

Appendix 5
2016/17 & 2017/18 - Schedule of Budget Proposals - Tranche 3

Ref	Brief Detail	Responsible Officer	Cabinet Member	2016/17 (£'000)	FTE 2016/17	2017/18 (£'000)	EIA Required?	Appendix 6 Page No.
D013	Town Centre Management - Re-alignment of Town Centre Operations	Mark Lester	Cllr J Stretton/ Cllr E Moores	175	0.0	0	No	2
D015	Mainstreaming Council Apprenticeship Budget	Jon Bloor	Cllr S Akhtar	107	0.0	46	Yes	8
D016	Enterprise and Skills Budget Option	Tom Stannard	Cllr S Akhtar	75	0.0	0	No	36
D017	Groundwork Grant	Darren Jones	Cllr J Stretton	11	0.0	0	No	44
D018	Re-align Professional Fees with Reserves	Darren Jones	Cllr J Stretton	400	0.0	0	No	50
D019	Economy and Skills Supplies and Services Budget Realignment	Elaine McLean	Cllr J Stretton/ Cllr E Moores/Cllr S Akhtar	292	0.0	0	No	55
	Total - Economy and Skills			1,060	0.0	46		
A005	Review of Council's Operating Structure	Carolyn Wilkins	Cllr J Stretton	300	2.0	0	No	60
	Total Chief Executive and Policy & Governance			300	2.0	0		
C015	Revenue Priorities Budget Reduction	Anne Ryans	Cllr J Stretton	1,200	0.0	0	No	65
	Total - Corporate and Commercial			1,200	0.0	0		
	Total Savings Proposals (T3)			2,560	2.0	46		

Deferred Saving Proposal

B003b	Public Protection- Neighbourhood Enforcement team within the Environmental Health section of Public Protection	Carol Brown	Cllr B Brownridge	80	3.0	0	No	71
	Total Budget Reduction Proposals - Tranche 3			2,640	5.0	46		

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Appendix 6
2016/17 & 2017/18 – Schedule of Budget
Proposals – Tranche 3

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	D013
Portfolio	Economy and Skills
Directorate:	Economy and Skills
Division:	Enterprise and Skills
Responsible Officer and role:	Mark Lester Head of Service, Strategic Investment
Cabinet Member and Cluster :	Councillor Jean Stretton/Councillor Eddie Moores Economy and Skills

Title:	Town Centre Management – Realignment of Town Centre Operations
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Section 2

2015/16 Budget for the section: <i>(By Division):</i>	Expenditure	£2,846k
	Income	(£1,784k)
	Net Expenditure	£1,062k
		Exp includes £273k capital depreciation charge which is a central cost to the authority. Actual net exp. is £789k
Total posts numbers in section: <i>(By Division):</i>	FTE	11.5

	2016/17 £k	2017/18 £k
Proposed Financial saving:	175	0
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>The service is seeking to create a new business model for the management of the Town Centre and to refocus the discretionary spending on the operational management of the Town Centre.</p> <p>This includes:</p> <ul style="list-style-type: none"> • Review of existing management and staffing arrangements • Reduction in TCM Professional Fees budget • Reduction in Operational Materials budgets
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>The 2016/17 budgets currently include:</p> <ul style="list-style-type: none"> • Professional Fees - £190,000 • Operational Materials £141,700 • Publicity and Marketing £164,910 <p>Overall there will be a gross reduction in the Town Centre Management Base Budget of £175k in 2016/17.</p> <p>The remaining budgets will realigned to support the new Business Model</p>
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Economic Impact Summary

The current TCM annual events programme is calculated to generate more than £2m visitor spend within the town centre.

Refocusing the above programme could potentially have a negative impact on the future generation of visitor spend.

However, the realignment of Town Centre operations is expected to mitigate this by generating more visitors to the Town Centre.

Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	None
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	None
Type of impact on partners	Negative

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Re profile of the cost centres for 2016 to 18.	November 2015
Model and financially appraise the new delivery structures for the management and operation of the Town Centre	February 2016
Complete TC programme changes to 2018	March 2016
Completion of EIA	
Equality impact screening completed and an	Not Required

EIA is not required	
Consultation within PVFM timeline	
Consultation is required	N/A

Key Risks and Mitigations	
Risk	Mitigating Factor

Section 5

What impact might the proposal have on the following?

Property Implications *ie closures, maintenance costs, transfer of Assets, property savings, etc*

Visitor numbers / footfall influence rental and vacancy levels (and future business rate income).

Service Delivery and future expected outcomes:

Further reprofiling existing budget provision and/or further investment may be required in events/promotional activity on the back of the completion of major developments such as the Old Town Hall.

Activity will be required in order to change consumer habits within the core catchment area to make Oldham the local destination of choice and address previous leakage i.e. get Oldhamers back into Oldham.

Organisation (other services)

Included in the proposed savings are contributions that add to/enhance activity led by other parts of the Council. Examples include contributions to maintenance and seasonal planting that form part of the Bloom & Grow activity. The proposed reductions may impact on those services.

Workforce

Note: *Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models*

There will be no reduction in FTE in 2016/2017 and 2017/2018.

Communities

The promotional programme provides public events and activity which are free and accessed by a broad range of local communities.

Service Users

The service users in this instance are predominantly the businesses based within the town centre. The activity is intended to encourage repeat visits to the town centre and generate spend in local businesses (calculated to be c£2m)

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

Included on the list of proposed reductions are contributions that add to/enhance activity led by other organisations.

Section 6

Supplementary Information

The Town Centre activity supports a very broad range of activities that underpin a key priority for the Council in regard to Place-marketing and making Oldham a more appealing part of the overall investment offer. This remains a growth area of member's interest and ambition to undertake more work.

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	None required.
Staff Consultation	The management team will be consulted about the best means to deliver the target.
Public Consultation	None required.
Service User Consultation	None required.
Any other consultation	No formal consultation is required.

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Mark Lester
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Support Officer Contact:	n/a
Support Officer Ext:	n/a


Cabinet Member Comments and/or approval
Approved

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	4 January 2016
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr J Stretton	
Signed:		
Date:	1 February 2016	

Approval by Supporting Cabinet Members

Cabinet Member:		
Signed:		
Date:		

Cabinet Member:		
Signed:		
Date:		

Cabinet Member:		
Signed:		
Date:		

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	D015
Portfolio	Economy and Skills
Directorate:	Economy and Skills
Division:	Enterprise and Skills
Responsible Officer and role:	Jon Bloor Head of Service, Economy and Skills
Cabinet Member and Cluster :	Councillor Akhtar Economy and Skills

Title:	Mainstreaming Council Apprenticeship Budget
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Section 2

2015/16 Budget for the section: <i>(By Division):</i>	Expenditure	£153k
	Income	0
	Net Expenditure	£153k
Total posts numbers in section: <i>(By Division):</i>	FTE	77

	2016/17 £k	2017/18 £k
Proposed Financial saving:	107	46
Proposed reduction in FTE's	None	None

Section 3

<p><u>Background:</u></p> <p><i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i></p>	<p>The Get Oldham Working Team currently holds £153k of £200k corporately allocated fund to support the placement of Apprentices across Council departments. The initial programme used the funding to create 10 apprentices (all level 2).</p> <p>The activity element (£153k) transferred to the Economy and Skills team, whilst the remaining (£47k) is held within People Services and funds a HR officer which liaises with the Economy and Skills team.</p> <p>Following the transfer it was agreed that the model would change to provide a part-payment for most apprenticeships (level 2 and level 3) rather than full cost recovery. That means each service provides a contribution towards each placement. Figure 1 provides the agreed</p>
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proportion of intervention.

Figure 1 – Service Contribution and Corporate uplift and numbers.

Level	Service Contribution	Corporate Contribution	Number of Apprentices 2015/16
2	50%	50%	6
3	30%	70%	39
4/Higher	100%	0	6
			51

This has meant that the £153k corporate budget has enabled an increase from 10 apprentices recruited per year to around 50 plus (maximum to date has been 72). In 2015/16 the fund has created and filled 51 apprenticeships (6x level 2, 39x level 3 and 6x level 4). This is a significant success.

The budget reduction proposal is to remove this incentive. It is hoped that departments can be encouraged to retain a commitment to apprenticeships.

The Council currently employs 77 apprentices (51 recruited this year and the 26 employed in 2014/15 – nb Level 3 apprentices are employed for 18 months and level 4 for 2 years). Figure 2 provides an overview of which department employs the apprentices and which will be most affected by the removal of the corporate fund.

Directorate	Number of Apprentices	Percentage of Apprentices by department
Corporate and Commercial Services	32	41.6
Cooperatives and Neighbourhoods	27	35.1
Health and Wellbeing	5	6.5
Economy & Skills	8	10.4
External	5	6.5
Total	77	100

There is a risk that the removal of this fund will reduce the number of apprentices within the organisation as it will result in passing on this saving/expenditure from corporate to individual service budgets.

Proposed Savings £k:

Through efficiency, income generation, transformation, decommissioning, etc

£107k in 2016/17 (due to existing commitments)
£46k in 2017/18

Further Financial Implications & Considerations

ie Capital implications or invest to save, pump priming etc , variations to budget

The Government is seeking public sector agencies to commit to 2.7% of the workforce being apprentices (which equates to approximately 75 apprentices). The proposal will reduce the ability to meet this ambition.

The Council is not a registered Apprenticeship Provider directly and partnering arrangements with Oldham College, OTC, Ashley Hunter and Myerscough College exist to deliver the learning plans and assessments. The providers received funding from the Council opportunities, the reduction will be offset by the GOW campaign working more externally (the economy and skills team has filled 150 plus apprenticeships in other organisations).

The Council is excluded from the Greater Manchester Apprenticeship Grant for Employers which is regrettable as this would see an investment of £1500 from GM per placement.

The proposed apprentice levy will now be applied to all public and private sector companies with a wage bill greater than £3m. The impact of this Levy is still to be fully understood but it appears that the Levy can be drawn back down against apprenticeships recruited. The expectation is that the Council would need to recruit 50-70 apprentices to draw down this funding.

The proposal will potentially create a financial pressure on other service budgets. If services intend to maintain their investment in apprenticeships the removal of the corporate fund will need to be replaced by the service. This proposal, therefore, might simply pass on the pressure.

The GoW Apprenticeship model supports clients that would struggle to secure a private sector placement in a competitive field of applicants. The removal of this programme will reduce the effectiveness of the GOW campaign.

The Economy and Skills team are actively looking at how further external funding could be secured to continue this help through our schemes such as the European funds new proposals to support the Youth Guarantee Council obligation.

It is proposed that GoW team will remain to continue the support offered across the Council and externally supporting young people on traineeship and Apprenticeship programmes.

Economic Impact Summary

Total net FTE job losses (gains):
(including Council, Unity partnership, 3^d)

None.

sector, other partners, private sector)	
Total financial loss to partners (£k) (including Unity partnership, 3 rd sector, other partners, private sector)	Loss of income from potential SFA training
Type of impact on partners	Negative

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Finalise 2014/15 recruitment to finalise expenditure.	September 2015
Completion of EIA	
EIA to be completed	January 2016
Consultation within PVFM timeline	
Consultation is required	N/A

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Reputation	Retain focus on other aspects of Get Oldham Working

Section 5

What impact might the proposal have on the following?

<u>Property Implications</u> <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
None.

<u>Service Delivery and future expected outcomes:</u>
<p><u>See Appendix 1 for Service Delivery Plan</u></p> <p>The Economy and Skills team would work to support budget holders to make informed decisions which would see increased usage of service budgets to compensate for the reduced corporate allocation. However, this will reduce the overall programme size as most team leaders/heads of service recognise the value of collective investment.</p> <p>It would reduce the ability to meet extended GOW apprenticeship targets but the team will continue to work with external employers to generate new opportunities. Unless separate departmental targets for Apprentices are mandated within the current staffing salary budgets and available resources.</p>

Organisation (other services)

The apprenticeship programme is flexible and as such each year different teams recruit. The table below provides an overview of the current location of all apprentices employed within the Council and in which department. This is presented to give an overview as to which departments might be affected going forward.

Figure 1 – Apprenticeships by Directorate.

Directorate	Number of Apprentices	Percentage of Apprentices by department
Corporate and Commercial Services	32	41.6
Cooperatives and Neighbourhoods	27	35.1
Health and Wellbeing	5	6.5
Economy & Skills	8	10.4
External	5	6.5
Total	77	100

The apprenticeship programme has a number of variable costs – predominantly the salary with some additional costs on training course (e.g. level 4 Legal incurs significant additional costs) whereas others e.g. level 2 for 16-25 years is currently free. In order to assist the discussion the salary costs are produced below.

Trainee Age	Annual Salary Plus est on-costs 25%
Apprenticeship (Level 2)	£6,583.33
16 - 17 (Level 3)	£9,139.49
18-20 (Level 3)	£12,370.87
21+ (Level 3)	£15,674.59
Level 4 Living Wage	£19,171.23

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

There will be no reduction in FTE in 2016/2017 and 2017/2018.

Communities

The GOW apprenticeship programme has been an important part of the GOW campaign. Figure 2 provides the demographic profile of apprentices.

The current scheme has engaged well within the Asian/Asian British Community. The main thrust of apprentice marketing is aimed at young people but the Oldham scheme works with a broader age range and whilst there are fewer female apprentices than males this has improved dramatically.

GOW apprentices:			Oldham Proportion
Ethnicity			
Asian or Asian British	19	24.7	19.20%
White European	1	1.3	1.25%
White British	54	70.1	75.60%
Black other	3	3.9	1.24%
Age category			
18-20	20	26.0	
21-24	40	51.9	
24-29	16	20.8	
30-39	1	1.3	
Gender			
Female	32	41.6	51%
Male	45	58.4	49%
Total Apprentices	77	100.0	

Service Users

This will reduce options for young people to progress onto. A number of level 2 apprentices have progressed onto higher level apprenticeships.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

This will reduce the volume of deliverable training contracts for Training Providers.

Section 6

Supplementary Information

None

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	None required.
Staff Consultation	The management team will be consulted about the best means to deliver the target.
Public Consultation	None required.
Service User Consultation	None required.
Any other consultation	No formal consultation is required.

Section 8

Equality Impact Screening

Is there **potential** for the proposed saving to have a disproportionate adverse impact on any of the following groups:

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

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment.

This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes
EIA to be completed by:	Jon Bloor
By:	January 2016

Section 9

Responsible Officer:	Jon Bloor
Support Officer Contact:	Jon.bloor@oldham.gov.uk
Support Officer Ext:	0161 770 4188


Cabinet Member Comments and/or approval
Approved

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	15 October 2015
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr S Akhtar
Signed:	
Date:	15 October 2015

Approval by Supporting Cabinet Members

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

D015 - Mainstreaming Council Apprenticeship Budget

Stage 1: Initial screening

Lead Officer:	Jon Bloor
People involved in completing EIA:	Jon Bloor
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	Yes

General Information

1a	Which service does this project, policy, or proposal relate to?	This EIA relates to budget proposal D015 – Mainstreaming of the Council’s Apprenticeship budget.																				
1b	What is the project, policy or proposal?	<p>The Get Oldham Working Team currently holds £153k of £200k corporately allocated fund to support the placement of Apprentices across Council departments. The initial programme used the funding to create 10 apprentices (all level 2).</p> <p>The activity element (£153k) transferred to the Economy and Skills team, whilst the remaining (£47k) is held within People Services and funds a HR officer post which liaises with the Economy and Skills team.</p> <p>Following the transfer it was agreed that the model would change to provide a part-payment for most apprenticeships (level 2 and level 3) rather than full cost recovery. That means each service provides a contribution towards each placement. Figure 1 provides the agreed proportion of intervention.</p> <p>Figure 1 – Service Contribution and Corporate uplift and numbers.</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Service Contribution</th> <th>Corporate Contribution</th> <th>Number of Apprentices 2015/16</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>50%</td> <td>50%</td> <td>6</td> </tr> <tr> <td>3</td> <td>30%</td> <td>70%</td> <td>39</td> </tr> <tr> <td>4/Higher</td> <td>100%</td> <td>0</td> <td>6</td> </tr> <tr> <td></td> <td></td> <td></td> <td>51</td> </tr> </tbody> </table>	Level	Service Contribution	Corporate Contribution	Number of Apprentices 2015/16	2	50%	50%	6	3	30%	70%	39	4/Higher	100%	0	6				51
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		<p>This has meant that the £153k corporate budget has enabled an increase from 10 apprentices recruited per year to around 50 plus (maximum to date has been 72). In 2015/16 the fund has created and filled 51 apprenticeships (6@ level 2, 39 @ level 3 and 6 @ level 4). This is a significant success.</p> <p>The budget saving proposal is to remove this incentive. It is hoped that services can be encouraged to retain a commitment to funding apprenticeships. The proposal aims to save £107k in 16/17 and £46k in 17/18.</p> <p>The Council currently employs 77 apprentices (51 recruited this year and the 26 employed in 2014/15 – nb Level 3 apprentices are employed for 18 months and level 4 for 2 years). Figure 2 provides an overview of which directorate employs the apprentices and therefore which will be most affected by the removal of the corporate subsidy.</p> <table border="1" data-bbox="753 945 1422 1357"> <thead> <tr> <th>Directorate</th> <th>Number of Apprentices</th> <th>Percentage of Apprentices by department</th> </tr> </thead> <tbody> <tr> <td>Corporate and Commercial Services</td> <td>32</td> <td>41.6</td> </tr> <tr> <td>Cooperatives and Neighbourhoods</td> <td>27</td> <td>35.1</td> </tr> <tr> <td>Health and Wellbeing</td> <td>5</td> <td>6.5</td> </tr> <tr> <td>Economy & Skills</td> <td>8</td> <td>10.4</td> </tr> <tr> <td>External</td> <td>5</td> <td>6.5</td> </tr> <tr> <td>Total</td> <td>77</td> <td>100</td> </tr> </tbody> </table> <p>There is a risk that the removal of this fund will reduce the number of apprentices within the organisation as it will result in passing on this saving/expenditure from corporate to individual service budgets.</p>	Directorate	Number of Apprentices	Percentage of Apprentices by department	Corporate and Commercial Services	32	41.6	Cooperatives and Neighbourhoods	27	35.1	Health and Wellbeing	5	6.5	Economy & Skills	8	10.4	External	5	6.5	Total	77	100
Directorate	Number of Apprentices	Percentage of Apprentices by department																					
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Health and Wellbeing	5	6.5																					
Economy & Skills	8	10.4																					
External	5	6.5																					
Total	77	100																					
1c	What are the main aims of the project, policy or proposal?	<p>The main aims of the proposal are:</p> <ul style="list-style-type: none"> To achieve the level of savings required to help the Council to achieve a balanced budget. 																					
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	<ul style="list-style-type: none"> The impact of this proposal cannot be defined entirely. The potential impact is dependent upon how the removal of the subsidy impacts on the number of opportunities created. Additionally, it is future apprenticeships that will be affected not existing ones, so it is harder to predict specific groups who will be affected. The proposed delivery plan aims to develop a strong communication plan which promotes the 																					

added value of the government backed training and the experience of hosting an apprentice which the goal to embed apprenticeships into team structures.

- The dialogue with budget holders regarding this option has been mixed with some recognising that this isn't a significant barrier whereas others will not be able to commit to future opportunities.
- It is hoped that services will still continue to fund apprenticeships therefore there will be no equality impact. As stated, however, the impact will be on future apprenticeships and therefore impact can only be a prediction based on the profile of the previous apprentices, but does act as a potential guide.

Figure 1 – Current demographic profile of the Corporate GOW Apprenticeship programme.

GOW apprentices:			
Ethnicity			Oldham Proportion
Asian or Asian British	19	24.7	19.20%
White European	1	1.3	1.25%
White British	54	70.1	75.60%
Black other	3	3.9	1.24%
Age category			
18-20	20	26.0	
21-24	40	51.9	
24-29	16	20.8	
30-39	1	1.3	
Gender			
Female	32	41.6	51%
Male	45	58.4	49%
Total Apprentices	77	100.0	

In terms of equality impact, the programme uses recognised HR recruitment practice which aims to ensure equal access across all groups, but the nature of apprenticeships means that they are more attractive to the younger workforce (18-24) and we have also seen an increased take up by Black and Minority Ethnic residents.

Therefore, any reduction in the number of opportunities are likely to have a disproportional and negative impact on young people (age) and BME residents (ethnicity).

1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Particular ethnic groups	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in a Marriage or Civil Partnership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
No		<input type="checkbox"/>	<input type="checkbox"/>	

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1h	How have you come to this decision?	If the services commit to funding the apprentices there will be no impact on the number of young people being able to take up the opportunities afforded by apprenticeships. The current economic climate, however, is challenging for all council services and there is at least another £30m to be found in savings for the financial year 17/18. If the services decide not to fund apprenticeships in their team this will potentially limit the number of young people able to enter employment and training with the Council.

		The rest of this EIA looks at the potential adverse impact that this proposal might have if services decided not to fund apprenticeships.
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Stage 2: What do you know?

What do you know already?

The Get Oldham Working (GOW) Corporate Apprenticeship programme has expanded from a scheme initiated within a single team with one role to a programme that has engaged with all departments and has developed a portfolio which has massively broadened the range of opportunities and increased the levels of educational achievement (Level 2, Level 3 and Level 4).

As stated, the Council currently employs 77 apprentices (51 recruited this year and the 26 initially employed in 2014/15 – nb Level 3 apprentices are employed for 18 months and level 4 for 2 years). Figure 1 provides an overview of which department employs the apprentices and which will be most affected by the removal of the corporate subsidy.

Figure 1- The current cohort of apprentices are employed in the following Directorates:

Directorate	Number of Apprentices	Percentage of Apprentices by department
Corporate and Commercial Services	32	41.6
Cooperatives and Neighbourhoods	27	35.1
Health and Wellbeing	5	6.5
Economy & Skills	8	10.4
External	5	6.5
Total	77	100

There is a risk that the removal of this fund will reduce the number of apprentices within the organisation. Early consultation has demonstrated that the removal of the corporate funding will be more significant for certain teams. The aim is to support all managers to examine how they could make the transition away from centrally resourced support. The new offer will be marketed positively and proactively as it still includes:

- access to free training, alongside;
- a free recruitment service; and,
- in-work support to tackle any issues that arise during the programme.

The GOW apprenticeship programme has been an important part of the GOW campaign. Figure 2 provides the demographic profile of apprentices.

The current scheme has engaged well with the Asian/Asian British Community. The main thrust of apprentice marketing is aimed at young people but the Oldham scheme works with a broader age range and whilst initially there are fewer female apprentices than males this has improved

dramatically mainly due to a broader range of opportunities.

GOW apprentices:			Oldham Proportion
Ethnicity			
Asian or Asian British	19	24.7	19.20%
White European	1	1.3	1.25%
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24-29	16	20.8	
30-39	1	1.3	
Gender			
Female	32	41.6	51%
Male	45	58.4	49%
Total Apprentices	77	100.0	

If the number of opportunities is diminished, then this will have an impact, predominantly reducing opportunities for young people. The proportion of Black and Minority Ethnic residents engaged in apprenticeships is higher than potentially expected. Any reduction in placements would impact negatively on this group as well.

The Council Apprenticeship programme is a key part of Get Oldham Working and as such forms a key strand in developing skills of residents which leads to better levels of paid employment. The programme sees young people progressing from level 2 → level 3 → level 4 which in turn increases the wage levels as they exit into sustained employment. Further evidence of this can be provided.

Similarly the Apprenticeship programme supports the looked after children activity and the Council has committed to employing two Looked after Children per year via this route. This is only achievable if there is a range of opportunities which can be matched to the skills and interests.

What don't you know?

The data on residents with disabilities hasn't been recorded effectively enough and this will be remedied but does mean the data isn't robust enough to make comparisons. However, it should be noted that the GOW campaign launched a supported internship scheme which is providing a bespoke package for young people with Special Educational Needs and/or Disabilities.

Further data collection

N/A

Summary (to be completed following analysis of the evidence above)				
Does the project, policy or proposal have the potential to have a <u>disproportionate</u> impact on any of the following groups? If so, is the impact positive or negative?	None	Positive	Negative	Not sure
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Particular ethnic groups	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think that this proposal may affect negatively or positively?				
<i>Looked After Children – the Council made a commitment to support 2 Looked After Children into apprenticeships. The GOW programme has enabled this and more.</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Stage 3: What do we think the potential impact might be?

Consultation information

This section should record the consultation activity undertaken in relation to this project, policy or proposal.

3a. Who have you consulted with?	<ul style="list-style-type: none"> • Budget Holders • Senior Management • Elected Member
3b. How did you consult? (inc meeting dates, activity undertaken & groups consulted)	<p>One to One discussions have been held with senior managers and Elected members.</p> <p>*no apprentices have been consulted as the existing cohort is not affected.</p>

3c. What do you know?

The hope is that the programme will still able to deliver the volume of opportunities that have been generated to date. However, whilst a number of budget holders have reacted positively, a

number have explained that without the investment, then they cannot commit to new posts.

The expectation is that the range of opportunities will reduce as well as the number of apprenticeships on offer. The recruitment process adheres to equal opportunities methods, so the impact will be equal across the cohort, unless the reduction in opportunities is targeted within certain role types. The ability to achieve equality is dependent on having a diverse range of opportunities.

3d. What don't you know?

N/A

3e. What might the potential impact on individuals or groups be?

(think about disability, race, gender, sexual orientation, transgender, age, faith or belief and those on low incomes and other excluded individuals or groups)

Generic (impact across all groups)	The hope is that the programme retains a similar number of opportunities. The plan is to proactively promote the offer. Alternative proposals can include gaining an agreement to mandate departments to create a minimum level. If there is a reduced offer, then this will clearly mean fewer opportunities. As stated, the programme is pro-active in engaging residents which have enabled achieving good outcomes, and this is backed by an equal opportunities recruitment method.
Disabled people	The data on residents with disabilities hasn't been recorded effectively enough and this will be remedied but does mean the data isn't robust enough to make comparisons. However, it should be noted that the GOW campaign launched a supported internship scheme which is providing a bespoke package for young people with Special Educational Needs and/or Disabilities.
Particular ethnic groups	The lack of opportunities, or concentration of opportunities within a limited part of the Council, could reduce our ability to offer opportunities for these residents, which based on the current cohort could be disproportionate.
Men or women (include impacts due to pregnancy / maternity)	The lack of opportunities, or concentration of opportunities within a limited part of the Council, could reduce our ability to offer opportunities for these residents, which based on the current cohort is not expected to be disproportionate.
People of particular sexual orientation/s	We do not anticipate a disproportionate impact on this particular group.
People in a Marriage or Civil Partnership	We do not anticipate a disproportionate impact on this particular group.
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	We do not anticipate a disproportionate impact on this particular group.

People on low incomes	The lack of opportunities, or concentration of opportunities within a limited part of the Council, could reduce our ability to offer opportunities for residents that have a lower skill base which would help them move into better paid employment.
People in particular age groups	The lack of opportunities, or concentration of opportunities within a limited part of the Council, could reduce our ability to offer opportunities for these residents, which based on the current cohort could be disproportionate.
Groups with particular faiths and beliefs	We do not anticipate a disproportionate impact on this particular group.
Other excluded individuals and groups (e.g. <i>vulnerable residents, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>)	The lack of opportunities, or concentration of opportunities within a limited part of the Council, could reduce our ability to offer opportunities for Looked After Children, which based on the current cohort could be disproportionate.

Stage 4: Reducing / mitigating the impact

As a result of what you have learned, what can you do to minimise the impact of the proposed changes on equality groups and other excluded / vulnerable groups, as outlined above?

4a. Where you have identified an impact, what can be done to reduce or mitigate the impact?

Impact 1: Reduced number of Apprenticeship places	<p>The Council is in negotiation with Unity Partnership which could result in a phased contribution to the scheme. This will be finalised before March 2016. This would allow a phased reduction in the programme with a full exit of corporate investment by March 2018.</p> <p>Proposed Delivery plan. A two stage process is proposed.</p> <p>Stage 1: The Economy and Skills Team will develop a positive internal marketing campaign which will focus on:</p> <ul style="list-style-type: none"> • Benefits of recruiting apprentices – backed by case studies • Bespoke, free recruitment service • Access to free training • In-work support • Corporate values linked to apprenticeships <p>Stage 2 – If performance begins to drop, then the request will be made of SLT to set departmental targets for the recruitment of apprentices.</p>
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4b. Have you done, or will you do, anything differently as a result of the EIA?

- Consulted with Budget Holders
- Considered the impact on residents
- Considered the impact in terms of equality

4c. How will the impact of the project, policy or proposal and any changes made to reduce the impact be monitored?

The performance of apprenticeships created will be reported as part of the suite of Get Oldham Working KPIs including equalities and diversity measures. The consistency of recording the KPI relating to apprenticeships and disabilities will be improved.

Conclusion

This section should record the overall impact, who will be impacted upon and the steps being taken to reduce / mitigate the impact

The main impact will be if the removal of corporate funding reduces the number of apprenticeship opportunities created in the Council.

If the numbers are dramatically reduced then this will have an impact of certain groups, specifically young residents, BME residents and Looked After Children.

The mitigation includes 3 key elements:

Element 1:

Negotiating access to an Unity Partnership sum of money which would see the funding reduce from £153k per annum to c.£100k in 2016/17 and to £60k in 2017/18.

Element 2:

The plan includes a high profile, positive internal marketing campaign which will focus on:

- Benefits of recruiting apprentices – backed by case studies
- Bespoke, free recruitment service
- Access to free training
- In-work support
- Corporate values linked to apprenticeships

This will be demonstrated through case studies and internal communications messages, which need to be reinforced by SLT/DMTs in core briefings to budget holders.

Since the decision to delete the funding was taken the team has been proactive and positive and has negotiated 10 new opportunities for 2015/16 with full salary cost recovery. This is positive but it is too early to analyse if this see if this will achieve expected target. It is proposed that the scheme is closely monitored and reported and if delivery begins to lag then a phase 2 will be requested.

Element 3

If the performance lags behind expectations then a request will be made to introduce mandatory departmental targets. This would require an SLT champion with buy-in from SLT to promote throughout the Council and measure progress.

Stage 5: Signature

Lead Officer: Jon Bloor

Date: 12.01.16

Approver signature: Tom Stannard

Date: 12.01.16

EIA review date: February 2016

APPENDIX 1: Action Plan and Risk Table

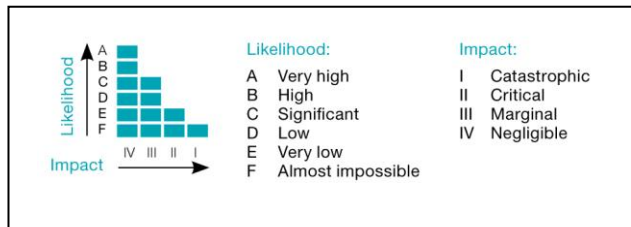
Action Plan

<i>Once you have decided on the course of action to be taken in order to reduce or mitigate the impact, please complete the action plan below (An example is provided in order to help you)</i>					
Number	Action	Required outcomes	By who?	By when?	Review date
1	Negotiate with Unity to access underspent funding allocated to Get Oldham Working	Agree funding profile and reporting Sign off by SLT Agree marketing plan with Kier Sponsorship Agree reporting mechanise	Alun Morgan Alun Morgan Jon Bloor Jon Bloor	Feb 2016 Feb 2016 Mar 2016 Mar 2016	
2	Develop positive marketing campaign, including case studies and offer	Campaign documents Inclusion in Council e-marketing	Jonathan Phillips	February 2016	
3	Monitor and Report Performance	Updates to SLT re: delivery	Jon Bloor	Monthly	

Risk table

Record any risks to the implementation of the project, policy or proposal and record any actions that you have put in place to reduce the likelihood of this happening.

Ref.	Risk	Impact	Actions in Place to mitigate the risk	Current Risk Score	Further Actions to be developed
R1.1	Low	Critical	Negotiations have begun and both sides have an agreed position		To be determined
2	Low	Marginal	Marketing plan is being formulated		To be determined
	Significant	Critical	Future performance is unknown but will be monitored		To be developed.



Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	D016
Portfolio	Economy and Skills
Directorate:	Economy and Skills
Division:	Enterprise and Skills
Responsible Officer and role:	Tom Stannard, Director Enterprise and Skills
Cabinet Member and Cluster :	Councillor Shoab Akhtar Economy and Skills

Title:	Enterprise and Skills Budget Option
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£4,348k (Oldham Lifelong Learning Service OLLS)
		£868k (Economy & Enterprise E&E)
	Income	£3,525k OLLs
		£98k E&E
	Net Expenditure	£823k OLLs This includes Capital Charges – Depreciation £414k this is a central cost to the Authority. Revised Net Expenditure £409k
		£770k E&E *includes a separate £35k saving proposal on OBLG contribution
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate)</i>	FTE	Headcount OLLs 80 SFA grant funded E&E 5 core funded posts

	2016/17 £k	2017/18 £k
Proposed Financial saving:	75	0
Proposed reduction in FTE's	0	0

Section 3

<p><u>Background:</u></p> <p><i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i></p>	<p>ESF C2 Skills for Employment contract update</p> <p>Since the original Leadership Star Chamber discussion on this option, the commercial expansion of the Lifelong Learning service and the Get Oldham Working service have resulted in one new contract win, with other bids also in the pipeline. Officers have considered the original proposal for management consolidation against the new delivery demands of these contracts, and propose an amendment to the delivery plan for the original saving.</p> <p>The £75k financial saving will still be achieved as a full year, recurring budget reduction, as detailed below.</p> <p>The Lifelong Learning Service and Economy and Skills (E&S) team have been awarded the delivery of the European Social Fund C2 Skills for Employment contract for Oldham. Delivery will begin in December 2015 and operate until July 2017 with an expectation that this will be extended until 2020. The maximum value of this contract is £630k over 19 months but is based on a payment by results methodology, therefore this can only be realised if all outcomes are met.</p> <p>The proposal is to utilise staff members from the E&S team and Lifelong Learning Service as Learning Mentors which will enable £75k of Council and Skills Funding Agency (SFA) funding to be offset.</p> <p>It is anticipated that in the first phase the scheme will use 3 or 4 FTEs which will offset the £75k (providing targets are met).</p> <p>The £75k financial saving target will be taken from the Lifelong Learning Service staffing budget and the Economy and Skills team staffing budget to ensure it is a deliverable, recurring full-year budget reduction. The base budget reduction will still take effect from 1 April 2016 on this basis. The proportion of the £75k coming from each budget will be finalised when the project delivery plan is fully established.</p> <p>Contract approval was received Tuesday 17 November 2015 with a mandatory standstill period of 10 days, ending Thursday 26 November 2015, which is why this information was not available at the time of the 19 October Leadership Star Chamber discussion.</p>
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The delivery targets for this project are extremely challenging and it must be noted that the funding will only be drawn down if all of the targets are achieved. As we are the only end to end deliverer in Oldham the quality assurance requirements are rigorous. The targets include: engagement; 13 weeks and 26 weeks skills programmes; accreditation; qualification – unit accreditation; qualification – full accreditation; work experience; sustainable progressions to a full time job; apprenticeship or self-employment; sustainable progression into further skills provision at a higher level.

See the table below:

End to End Delivery - Oldham Council				
Deliverable		Maximum Deliverables	Unit Price £	Total £
Engagement	LGS01	488	425	207,400
13 week on-programme payment	LGP01	341	340	115,940
26 week on programme payment (learner has started an accredited qualification)	LGP02	220	425	93,500
Qualification - unit accreditation (only one of either a unit or full qualification can be claimed per learner and only once)	LGQ01	16	170	2,720
Qualification - full accreditation (only one of either a unit or full qualification can be claimed per learner and only once)	LGQ02	104	578	60,112
8 weeks / 16 hr per week work experience	LGE01	29	425	12,325
Sustainable progression to a full time job, apprenticeship or self-employment	LGO01	122	850	103,700
Sustainable progression into further skills provision (at a higher level than this provision)	LGO02	164	212	34,768
				630,465

Proposed Savings £k: <i>Through efficiency, income generation, transformation, decommissioning, etc</i>	The amended delivery proposal enables the achievement of the £75k required but minimises the delivery risk against the new ESF contract.
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Further Financial Implications & Considerations <i>ie Capital implications or invest to save, pump priming etc , variations to budget</i>	<p>Capacity to deliver the range of proposed funded schemes needs to be considered. The delivery of the two ESF programmes will be fundamental to the forward objective of improving the Welfare to Work landscape in Oldham.</p> <p>The ESF funding will be required to bring in additional staff but initial use of existing staff will allow the achievement of the £75k.</p> <p>Oldham Lifelong Learning Service's Ofsted rating is Outstanding on current performance. Risk of transitional loss of leadership capacity to maintain high standards of delivery.</p> <p>Some future investment in the development of a longer term alternative service business model, such as the original proposal to integrate lifelong learning and get Oldham working under a single management structure, may be required to pump prime or accelerate the business case. This would be evaluated in the event that this option was revisited in future years.</p>
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Economic Impact Summary	
The proposal would continue to deliver the current main GoW and Lifelong Learning contracted activity.	
The benefits and Vfm analysis of GoW already demonstrate that getting just one person that is a job seeker into work provides a fiscal return of £10k, an economic return of £14k and the wider social return in terms of well-being of a further £12K per annum. The current GoW programme cost is estimated to be in the order of £1-2k per job outcome, plus the many other services delivered in the programme.	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	None identified
Type of impact on partners	Not Known

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Delivery plan for ESF C2 Skills for Employment	December 2015

Announcement of Working Well 2	December 2015
Contract negotiations of ESF programmes	December 2015
Delivery begins	December 2015/January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Lack of senior management capacity.	Bidding for ESF funds Reduction in support costs
Loss of local delivery capacity at a time of transition of the major employment programmes at GM and National levels	Close contact with GM and New Economy/GM Futures and Employment and Skills sub groups on the direction being taken on provision of new Work Programme and Working Well Programme.
Reduced level of business engagement and support	Communication plan to ensure current business support is managed through a transition of the service is important
Inability to retain and recruit key staff expertise during transition	Full staff engagement and feedback must be encouraged and promoted through the development of the full business case if this proposal proceeds to the next stage.

Section 5

What impact might the proposal have on the following?

<u>Property Implications</u> <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
<p>OLLS currently occupies 6 buildings.</p> <p>The Get Oldham Working team is located on Level 3 of the Civic Centre. The E&S team are also competing to deliver the Working Well expansion which if successful will require additional space as the scheme will require an additional 18 staff.</p>

<u>Service Delivery and future expected outcomes:</u>
<p>Stronger joint working between Adult Skills and Employment Services creating a better service for our residents</p> <p>Longer term a new service launched towards self-funding and a more diverse and sustainable business model.</p> <p>Greater skills and employment contribution to the local economy as more external funding and income generation is secured for the benefit of Oldham residents</p>

Organisation (other services)

Continued close working with the Early Help team and wider Early years and Education service is required to ensure a smooth transition and the input to areas for closer collaboration in managing the complex cases for the residents with most needs and the transition from statutory education into employment.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

Depending on the success of ESF bids the number of staff required in the medium term will increase.

Communities

Communities should benefit from a coordinated approach which will support those seeking work.

Business Community will also have a single point of contact for this agenda

Service Users

Young People and Adults should see no reduction in the support they receive.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

No reduction in the service or joint working anticipated

Section 6

Supplementary Information

An area review of skills and training provision across the GM area has started and is due to conclude in March 2016. The focus of this is the Post 16 Education and Training agenda. Our services mainly focus on the Post 19 and adult agenda however the area review will consider the wider context and this may have implications for the services delivered in Oldham.

Section 7

Consultation Information –	
<i>This should include as a minimum the following:</i>	
<ul style="list-style-type: none"> • What has been consulted on so far? With whom and when? • Further consultation required? • Date consultation to be started and concluded 	
NB – All public consultations must be completed prior to approval by Cabinet/Council.	
Trade Union Consultation	Consulted on original option when FTE reduction was envisaged
Staff Consultation	Not required.
Public Consultation	None required.
Service User Consultation	None required.
Any other consultation	No formal consultation is required.

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Tom Stannard, Director of Enterprise and Skills
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Support Officer Contact:	Beckie Wylie Rothwell
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Support Officer Ext:	0161 770 4089
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Cabinet Member Comments and/or approval
Approved


Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	7 December 2015
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr S Akhtar
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Signed:	
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Date:	7 December 2015
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Approval by Supporting Cabinet Members

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	D017
Portfolio	Economy & Enterprise
Directorate:	Economy & Skills
Division:	Strategic Regeneration & Development
Responsible Officer and role:	Darren Jones Director of Economic Development
Cabinet Member and Cluster :	Cllr J Stretton Economy & Skills Cluster

Title:	Groundwork Grant
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£2,539k
	Income	£(935)k
	Net Expenditure	£1,604k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	15.5

	2016/17 £k	2017/18 £k
Proposed Financial saving:	11	0
Proposed reduction in FTE's	0	0

Section 3

Background: <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	Removal of Groundwork Trust £11K annual grant from 2016/17 financial year.
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Proposed Savings £k: <i>Through efficiency, income generation, transformation, decommissioning, etc</i>	It is proposed to stop paying Groundwork Trust their annual £11K grant which is currently paid from the Strategic Regeneration & Development budget.
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Further Financial Implications & Considerations <i>ie Capital implications or invest to save, pump priming etc , variations to budget</i>	None
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	No impact on Council or Unity Partnership but an impact on Groundwork Trust.
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	£11K impact on Groundwork Trust – a 3 rd sector partner organisation.
Type of impact on partners	Negative

Section 4

Key Milestones	
Milestone	Timescale
Mandatory – Completion of EIA & Consultation within PVFM timeline	

Key Risks and Mitigations	
Risk	Mitigating Factor
That services of value to Oldham cease to be delivered.	Enhanced fundraising by Groundwork Trust to support services.
Risk that all Local Authorities who currently fund Groundwork Bolton, Bury, Oldham & Rochdale all cease funding from 2016/17 and that the organisation closes.	1. Initial discussions with Bolton, Bury & Rochdale Councils to ascertain budget plans. 2. Consideration of creation of GM-wide Groundwork Trust which could potentially reduce the cost base whilst still providing services.
Reputational damage to Oldham Council.	Active management of Comms & PR around all of the Authority's budget position by Comms Team.

Section 5

What impact might the proposal have on the following?

Property Implications *ie closures, maintenance costs, transfer of Assets, property savings, etc*

Groundwork have already decided to vacate their premises in Oldham and active uses are already under consideration for the former Higginshaw Board School premises and land.

Service Delivery and future expected outcomes:

The Trust's work falls under one of the following categories:

- Improving people's employment prospects.
- Creating better places.
- Promoting greener living and working.

It is suggested that the employment work could be managed via Get Oldham Working whilst there is likely to be a negative impact on the environmental projects currently undertaken.

Organisation (other services)

None

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

None

Communities

The following are reported outputs during 2013/14 for Groundwork in Bolton, Bury, Oldham and Rochdale:

- 4,683 people 'supported'
- School attendance improved for over 150 pupils
- Learners gained 1,306 qualifications
- Helped over 930 people find employment
- Improved and maintained 132,112 m² of land
- Planted 594 trees

- Involved 38 schools in environmental and sustainable programmes
- Supported 73 businesses with training, environmental support and CSR work
- Avoided or saved 351 tons of CO₂ emissions

There will be a potential negative impact on this work if the £11K saving results in a disproportionate impact. As outlined above, it is recommended that there are early discussions with Rochdale, Bury and Bolton Councils to ascertain whether similar grant reductions are planned.

Service Users

Service users from Oldham may be impacted by the Trust's decision to move to Rochdale which is not linked to this grant proposal.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

The Trust will either have to reduce its activities or fund raise to cover any financial pressures.

Section 6

Supplementary Information

None at this stage

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	None to date
Staff Consultation	None to date
Public Consultation	None to date
Service User Consultation	None to date
Any other consultation	None to date

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Darren Jones
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Support Officer Contact:	Beckie Wylie Rothwell
Support Officer Ext:	0161 770 4089


Cabinet Member Comments and/or approval
Approved

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	9 October 2015
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr J Stretton	
Signed:		
Date:	1 February 2016	

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	D018
Portfolio	Economy & Enterprise
Directorate:	Economy & Skills
Division:	Economic Development – Strategic Regeneration & Development
Responsible Officer and role:	Darren Jones – Director of Economic Development
Cabinet Member and Cluster :	Cllr J Stretton – Economy & Skills

Title:	Re-align professional fees with reserves
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£2,539k
	Income	£(935k)
	Net Expenditure	£1,604k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	15.5

	2016/17 £k	2017/18 £k
Proposed Financial saving:	400	0
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>It is proposed to make a saving of £400k from the professional fees in the base budget and Regeneration will use reserves for the next 3 years.</p> <p>Regeneration have an unallocated budget which is used for feasibility studies on projects. The spend tends to be for consultants reviewing initial costings of schemes and other specialist costs such as legal fees. Previously we have paid for design fees on Hotel Future, marketing for schemes, project manager costs, surveys etc.</p>
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	<p>There will be no impact on staffing and project feasibility costs will be taken from the reserves rather than the base budget.</p> <p>The reserves to be used will be identified in due course.</p>
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<p>Proposed Savings £k:</p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>£400k</p>
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<p>Further Financial Implications & Considerations</p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>Project Feasibility Costs will be taken from the reserves.</p>
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Economic Impact Summary	
<p>Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i></p>	0
<p>Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i></p>	N/A
<p>Type of impact on partners</p>	Negative

Section 4

Key Milestones	
Milestone	Timescale
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

Key Risks and Mitigations	
Risk	Mitigating Factor

Section 5

What impact might the proposal have on the following?

Property Implications *ie closures, maintenance costs, transfer of Assets, property savings, etc*

No Property Implications.

Service Delivery and future expected outcomes:

Service delivery should continue as business as usual as the funds will be taken from the reserves.

Organisation (other services)

N/a

Workforce

Note: *Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models*

There should be no impact on the workforce as there is no change to the delivery, headcount, skills or posts affected.

Communities

There will be no effect to the community as the funds for regeneration will be taken from the reserve budget.

Service Users

No affect to service users.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/a

Section 6

Supplementary Information
N/a

Section 7

Consultation Information – <i>This should include as a minimum the following:</i>	
<ul style="list-style-type: none">• <i>What has been consulted on so far? With whom and when?</i>• <i>Further consultation required?</i>• <i>Date consultation to be started and concluded</i>	
NB – All public consultations must be completed prior to approval by Cabinet/Council.	
Trade Union Consultation	N/A
Staff Consultation	N/A
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Darren Jones
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Support Officer Contact:	Beckie Wylie
Support Officer Ext:	0161 770 4089


Cabinet Member Comments and/or approval	
Approved	

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	19 August 2015
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr J Stretton	
Signed:		
Date:	1 February 2016	

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	D019
Portfolio	Economy and Skills
Directorate:	Economy and Skills
Division:	Various
Responsible Officer and role:	Elaine McLean Executive Director for Economy and Skills
Cabinet Member and Cluster :	Councillor J Stretton / Councilor Eddie Moores / Councillor Shoab Akhtar Economy and Skills

Title:	Economy and Skills supplies and services budget realignment
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£96,791k
	Income	£71,762k
	Net Expenditure	£25,028k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	N/A

	2016/17 £k	2017/18 £k
Proposed Financial saving:	292	0
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>The cluster is looking to address the budget reduction targets by realigning the supplies and services budgets.</p> <p>The budget reduction will be taken from 1 April 2016.</p>
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<u>Proposed Savings £k:</u> <i>Through efficiency, income generation, transformation, decommissioning, etc</i>	<p>The total saving to be achieved is £292,360 from the supplies and services budgets across the three directorate areas within the cluster.</p> <p>Some budgets will have a 5% reduction whilst others will be removed and spend within the department will be realigned to adjust for the reduction.</p> <p>In summary, the saving is 1% of the total net budget.</p>
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<u>Further Financial Implications & Considerations</u> <i>ie Capital implications or invest to save, pump priming etc , variations to budget</i>	None
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	0
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	£292k as expenditure is being reduced.
Type of impact on partners	Neutral or marginal

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
<u>Mandatory – Completion of EIA & Consultation within PVFM timeline</u>	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor

Section 5

What impact might the proposal have on the following?

Property Implications *ie closures, maintenance costs, transfer of Assets, property savings, etc*

None, savings are made to bought in supplies and services budgets.

Service Delivery and future expected outcomes:

Minimal impact

Organisation (other services)

N/A

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

The impact will be minimal on employees.

Communities

N/A

Service Users

N/A

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/A

Section 6

Supplementary Information

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	N/A
Staff Consultation	Staff consulted as part of the mandatory process
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there **potential** for the proposed saving to have a disproportionate adverse impact on any of the following groups:

	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Elaine McLean
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Support Officer Contact:	Beckie Wylie Rothwell
Support Officer Ext:	4089


Cabinet Member Comments and/or approval
Approved

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	9 October 2015
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr S Akhtar
Signed:	
Date:	9 October 2015

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	A005
Portfolio	Chief Executives
Directorate:	Chief Executives
Division:	Chief Executives
Responsible Officer and role:	Carolyn Wilkins Chief Executive
Cabinet Member and Cluster :	Councillor J Stretton

Title:	Review of the Council's Operating Structure and Chief Executives Budgets
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£1,123k
	Income	(£1,123k)
	Net Expenditure	0
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	6

	2016/17 £k	2017/18 £k
Proposed Financial saving:	300	0
Proposed reduction in FTE's	2	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	A review of the Council's operational structure has been completed. It is proposed that this, together with a review of all budgets under the control of the Chief Executive, will result in a £300k saving, reducing the management structure by 2 FTE
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<u>Proposed Savings £k:</u> <i>Through efficiency, income generation, transformation, decommissioning, etc</i>	£300k
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<u>Further Financial Implications & Considerations</u> <i>ie Capital implications or invest to save, pump priming etc , variations to budget</i>	None.
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	2
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	£0k
Type of impact on partners	Neutral or marginal

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Completion of the review of Council's operational structure and budgets under the control of the Chief Executive.	31 December 2015
Mandatory – Completion of EIA & Consultation within PVFM timeline	21 January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Failure to identify sufficient savings arising from the review	A thorough analysis of all budgets has enabled sufficient efficiencies to be identified

Section 5

What impact might the proposal have on the following?

Property Implications *ie closures, maintenance costs, transfer of Assets, property savings, etc*

None.

Service Delivery and future expected outcomes:

None.

Organisation (other services)

None.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

None.

Communities

None.

Service Users

None.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

None.

Section 6

Supplementary Information

None

Section 7

Consultation Information –	
<i>This should include as a minimum the following:</i>	
<ul style="list-style-type: none"> • What has been consulted on so far? With whom and when? • Further consultation required? • Date consultation to be started and concluded 	
NB – All public consultations must be completed prior to approval by Cabinet/Council.	
Trade Union Consultation	Consultation has been incorporated within the agreed timetable for Trades Union consultation
Staff Consultation	Consultation has been incorporated within the agreed timetable for staff consultation
Public Consultation	It is not considered that specific public consultation will be required
Service User Consultation	It is not considered that specific service user consultation will be required
Any other consultation	It is not considered that any other specific consultation will be required

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Carolyn Wilkins
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Support Officer Contact:	Heather Moore
Support Officer Ext:	X1975


Cabinet Member Comments and/or approval
Approved

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	1 February 2016
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr J Stretton
Signed:	
Date:	1 February 2016

Approval by Supporting Cabinet Members

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	C015
Portfolio	Corporate and Commercial Services
Directorate:	Corporate and Commercial Services
Division:	Corporate Expenses
Responsible Officer and role:	Anne Ryans - Director of Finance
Cabinet Member and Cluster :	Cllr J Stretton – Leader of the Council

Title:	Revenue Priorities Budget
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£1,475k
	Income	0
	Net Expenditure	£1,475k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	0

	2016/17 £k	2017/18 £k
Proposed Financial saving:	1,200	0
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	The 2015/16 budget setting process provided resources of £1.475m to fund the Council's ongoing revenue priorities. Following a review of commitments, it is proposed that £1.2m can be offered as a budget reduction. The £1.2m has been used to support one off initiatives.
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<u>Proposed Savings £k:</u> <i>Through efficiency, income generation, transformation, decommissioning, etc</i>	£1,200k
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<u>Further Financial Implications & Considerations</u> <i>ie Capital implications or invest to save, pump priming etc , variations to budget</i>	None.
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	0
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	£0k
Type of impact on partners	Neutral or marginal

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Review of the Revenue Priorities Budget	30 November 2015
Mandatory – Completion of EIA & Consultation within PVFM timeline	21 January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
None	There are no on-going commitments arising from the deployment of this resource

Section 5

What impact might the proposal have on the following?

Property Implications *ie closures, maintenance costs, transfer of Assets, property savings, etc*

None.

Service Delivery and future expected outcomes:

None.

Organisation (other services)

None.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

None.

Communities

None.

Service Users
None.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)
None

Section 6

Supplementary Information
None

Section 7

Consultation Information –	
<i>This should include as a minimum the following:</i>	
<ul style="list-style-type: none"> • <i>What has been consulted on so far? With whom and when?</i> • <i>Further consultation required?</i> • <i>Date consultation to be started and concluded</i> 	
NB – All public consultations must be completed prior to approval by Cabinet/Council.	
Trade Union Consultation	None Required
Staff Consultation	None Required
Public Consultation	None Required
Service User Consultation	None Required
Any other Consultation	None Required

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Anne Ryans
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Support Officer Contact:	Shena Cuming
Support Officer Ext:	0161 770 1021


Cabinet Member Comments and/or approval
Approved

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	1 February 2016
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr J Stretton	
Signed:		
Date:	1 February 2016	

Approval by Supporting Cabinet Members

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

Cabinet Member:	
Signed:	
Date:	

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	B003b
Portfolio	Co-operatives and Neighbourhoods
Directorate:	Co-operatives and Neighbourhoods
Division:	Environmental Services
Responsible Officer and role:	Carol Brown - Director of Environmental Services
Cabinet Member and Cluster :	Cllr B Brownridge – Neighbourhoods and Co-operatives

Title:	Public Protection- The proposal relates to the Neighbourhood Enforcement team within the Environmental Health section of Public Protection
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£1,322k
	Income	(£400k)
	Net Expenditure	£922k (controllable and semi controllable)
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	36

	2016/17 £k	2017/18 £k
Proposed Financial saving:	80	0
Proposed reduction in FTE's	3	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>It is proposed to remove from the structure 3 occupied Enforcement officer posts.</p> <p>The proposal of removing 3 FTE Enforcement officers will reduce the capacity of officers in the team from 11.8 FTE to 8.8 FTE. This is a reduction of 25% and therefore work priorities will be renegotiated in full consultation with Councillors and other partners departments and agencies.</p>
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Proposed Savings £k: <i>Through efficiency, income generation, transformation, decommissioning, etc</i>	3 x Enforcement Officer @ £27,380 (inc. on costs) Saving £82,140 (inc. oncosts) Reduction in resultant income target - £2,000 Saving £80,140
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Further Financial Implications & Considerations <i>ie Capital implications or invest to save, pump priming etc , variations to budget</i>	None
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	0
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	0
Type of impact on partners	Neutral or marginal

Section 4

Key Milestones	
Milestone	Timescale
None agreed at this time pending project approval	

Key Risks and Mitigations	
Risk	Mitigating Factor
Unable to meet timescales for response as currently	Need to agree revised service standards in some service areas.

Section 5

What impact might the proposal have on the following?

Property Implications <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
None

Service Delivery and future expected outcomes:

The proposed reduction in Enforcement officers will impact on the teams priorities however enforcement will continue to ensure people are held to account for littering and fly tipping where evidence allows. It is hoped that the impact of this year's enforcement work will encourage residents to do their bit and look after their neighbourhood whilst still retaining 9 officers to continue to respond to complaints and deliver a proactive service delivering the enforcement element of the 'changing behaviour' programme.

Organisation (other services)

There will be limited impact on other areas of the Council however we would require:

- A fully considered communications plan will be essential
- Full support from partners
- Full political support for any moves to new agreed priorities for the service.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

Employees have not to date been involved in the development of the proposal but their engagement will be essential moving forward to detail the proposals and the implementation.

Communities

It is anticipated that there will be an emerging extra workload for officers relating to enforcement in privately rented properties especially based within the selective licensing areas. If serious disrepair issues are discovered during the condition audits this work will be taken on by the Environmental Health Officers. This extra work, depending on the emerging volume will also impact on caseloads for individual officers and response times for the team.

Service Users

As above

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

Partner organisations will be engaged with to reduce the impact and gain understanding regarding service standards.

Section 6

Supplementary Information

None

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	15 September 2015 to 30 October 2015
Staff Consultation	15 September 2015 to 30 October 2015
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there **potential** for the proposed saving to have a disproportionate adverse impact on any of the following groups:

	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Carol Brown
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Support Officer Contact:	Beckie Wylie
Support Officer Ext:	0161 770 4089


Cabinet Member Comments and/or approval	
Approved	

Please return completed form to: financialplanning@oldham.gov.uk

Submitted to Finance:	7 July 2015
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Section 10

Approval by Lead Cabinet Member

Cabinet Member:	Cllr Barbara Brownridge
Signed:	
Date:	5 November 2015

Appendix 7

Summary of Budget Reduction Proposals Approved in Nov (£5.974m) and December (£4.993m)

November 4 Council						
Ref	Brief Detail	Responsible Officer	Cabinet Member	2016/17 (£'000)	FTE 2016/17	2017/18 (£'000)
E001	Public Health Savings through Transformation	Alan Higgins	Cllr J Stretton	604	2.0	0
E005	Contracts within Adult Services	Maggie Kufeldt	Cllr J Harrison	2,139	0.0	0
E006	Adult Social Care - Care Package Reviews	Maggie Kufeldt	Cllr J Harrison	613	0.0	0
Total - Health and Wellbeing				3,356	2.0	0
B001	Building Control - Income Generation	Carol Brown	Cllr D Hibbert	25	0.0	0
B008	Efficiencies from combining into Community Services Directorate	Liz Hume	Cllr B Brownridge	105	1.0	0
B009	Targeted Youth - Reduction in overall contract value	Jill Beaumont	Cllr B Brownridge	130	0.0	0
B010	Universal Youth - Removing contingency	Jill Beaumont	Cllr B Brownridge	100	0.0	0
B012	Voluntary, Community and Faith Sector Commissioning	Bruce Penhale	Cllr B Brownridge	80	0.0	0
B013	Targeted Early Help Team Support for PFI Housing Neighbourhoods	Debbie Holland/John Rooney	Cllr B Brownridge	50	0.0	0
B014	Early Help use of libraries for community portion of offer	Debbie Holland/Sheena Macfarlane	Cllr B Brownridge	50	0.0	0
B015	Transfer Independent Domestic Violence Advocacy (IDVA) function from Community Safety to Early Help	Haydn Roberts/Debbie Holland	Cllr B Brownridge	70	0.0	0
B016	Early Help re-tendering to re-focus service on supporting families at an earlier stage	Debbie Holland	Cllr B Brownridge	130	0.0	0
B018	Increased income into First Response through new CCTV or security contracts	John Rooney	Cllr B Brownridge	50	0.0	0
B019	Review of PFI Contract Arrangements	John Rooney/Andy Cooper	Cllr B Brownridge/Cllr A Jabbar	150	0.0	0
Total - Cooperatives and Neighbourhoods				940	1.0	0
D001	Lifelong Learning Service - Income Generation	Lynda Fairhurst	Cllr S Akhtar	20	0.0	0
D003	Education - Transfer of Income	Caroline Sutton	Cllr S Akhtar	36	0.0	0
D004	Use of Pupil Premium Plus Grant	Caroline Sutton	Cllr S Akhtar	38	0.0	0
D005	Income Generation - Educational Psychology	Caroline Sutton	Cllr S Akhtar	55	0.0	0
Total - Economy and Skills				149	0.0	0
A001	Organisational Redesign	Carolyn Wilkins	Cllr J Stretton	150	0.0	0
A002	Professional Fees	Heather Moore	Cllr A Shah	24	0.0	0
Total Chief Executive and Policy & Governance				174	0.0	0
C002	Financial Services Redesign	Anne Ryans	Cllr A Jabbar	375	13.5	137
C003	Schools ICT - Income Generation	Helen Gerling	Cllr A Jabbar	75	0.0	0
C004	Programme Management Office - Income Generation	Christopher Lewis	Cllr A Jabbar	55	0.0	0
C006	Investment Income through Treasury Management	Anne Ryans/Andy Cooper	Cllr A Jabbar	400	0.0	0
C009	Project Diamond - Unity Partnership	Helen Gerling	Cllr A Jabbar	150	0.0	0
C010	Reduction in Unity Contract	Helen Gerling	Cllr A Jabbar	100	0.0	0
C013	Insurance review	Mark Stenson	Cllr A Jabbar	200	0.0	0
Total - Corporate and Commercial				1,355	13.5	137
Total Budget Reduction Proposals Approved November 4 Council				5,974	16.5	137

December 16 Council						
Reference	Brief Detail	Responsible Officer	Cabinet Member	2016/17 (£'000)	FTE 2016/17	2017/18 (£'000)
E002	Improved Value for Money within Oldham's Residential and Supported Accommodation Offer for Looked After Children and Care Leavers	Kim Scragg	Cllr J Harrison	234	0.0	0
E003	Looked After Children - Demand Management and Reduction (Therapeutic Fostering and the Adolescent Support Unit)	Kim Scragg	Cllr J Harrison	1,254	12.0	0
E008	Adult Services - Generating Additional Income	Maggie Kufeldt	Cllr J Harrison	401	0.0	0
E011	Integrated Working	Mark Warren	Cllr J Harrison	200	0.0	0
E013	Oldham Care and Support - Redesigning community reablement	Mark Warren	Cllr J Harrison	200	0.0	0
E014	Improved Value for Money within Oldham's supported accommodation offer for looked after children & care leavers	Ed Francis	Cllr J Harrison	100	0.0	0
E015	Review of Contracts	Kim Scragg	Cllr J Harrison	100	0.0	0
Total - Health and Wellbeing				2,489	12.0	0
B003a	Public Protection - Commercial Protection Team within the Environmental Health Section of Public Health	Carol Brown	Cllr B Brownridge	70	2.0	0
B004	Environmental Management (Parks & Street scene)	Carol Brown	Cllr B Brownridge	100	4.0	0
B005	Street Lighting - Shared Client Team	Carol Brown	Cllr D Hibbert	22	1.0	13
B006	Waste Management - Increasing net income on trade waste collection contracts	Carol Brown	Cllr B Brownridge	78	0.0	0
B007	Implementation of 2 year cut off for spending Ward & Councillor Budgets	Liz Hume	Cllr B Brownridge	100	0.0	0
B011	Universal Youth - Revised Model of Delivery	Jill Beaumont	Cllr B Brownridge	175	4.0	0
B020	Community Safety Services Income Target	Haydn Roberts	Cllr B Brownridge	50	0.0	0
B021	Early Help Children's Centre	Debbie Holland	Cllr B Brownridge	11	0.5	0
B022	Music Service Budget Reduction	Jill Beaumont	Cllr B Brownridge	25	0.0	0
B023	Income from Deed of Variation Agreement	John Rooney	Cllr B Brownridge	250	0.0	0
B024	Libraries Options	Sheena Macfarlane	Cllr B Brownridge	20	0.0	0
B025	Library Single Staffing Pilot	Sheena Macfarlane	Cllr B Brownridge	11	0.5	0
B026	Review of Library at Home Service	Sheena Macfarlane	Cllr B Brownridge	22	1.0	33
Total - Cooperatives and Neighbourhoods				934	13.0	46
D010	Contract Award - Oldham's Early Years Offer (including Children's Centres and Health Visiting)	Caroline Sutton	Cllr S Akhtar	1,200	0.0	0
D014	Oldham Business Leadership Group (OBLG) Grant	Jon Bloor	Cllr J Stretton	35	1.0	0
Total - Economy and Skills				1,235	1.0	0
A003	Business Intelligence Service - Income Generation, Vacancy Management, Restructure	Dami Awobajo	Cllr A Shah	139	2.0	0
A004	Vacant Post within the Executive Support service	Heather Moore	Cllr A Shah	21	1.0	0
Total Chief Executive and Policy and Governance				160	3.0	0
C005	Strategic Sourcing & Strategic Relationship Management - Commercial Trading Model	Nicola Spence	Cllr A Jabbar	125	2.0	0
C014	Non-Staff Costs	Dianne Frost	Cllr A Jabbar	50	0.0	0
Total - Corporate and Commercial				175	2.0	0
Total Budget Reduction Proposals Approved December 16 Council				4,993	31.0	46

Summary						
Total Budget Reduction Proposals Approved November 4 Council				5,974	16.5	137
Total Budget Reduction Proposals Approved December 16 Council				4,993	31.0	46
Total Budget Reduction Proposals Approved Nov & Dec				10,967	47.5	183

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Appendix 8
2016/17 & 2017/18 - Schedule of Budget Proposals

Budget Savings Proposals Tranche 1, 2 and 3

Ref	Brief Detail	Responsible Officer	Cabinet Member	2016/17 (£'000)	FTE 2016/17	2017/18 (£'000)
E001	Public Health Savings through Transformation	Alan Higgins	Cllr J Stretton	604	2.0	0
E002	Improved Value for Money within Oldham's Residential and Supported Accommodation Offer for Looked After Children and Care Leavers	Kim Scragg	Cllr J Harrison	234	0.0	0
E003	Looked After Children - Demand Management and Reduction (Therapeutic Fostering and the Adolescent Support Unit)	Kim Scragg	Cllr J Harrison	1,254	12.0	0
E004	Mental Health	Maggie Kufeldt	Cllr J Harrison	843	1.5	0
E005	Contracts within Adult Services	Maggie Kufeldt	Cllr J Harrison	2,139	0.0	0
E006	Adult Social Care - Care Package Reviews	Maggie Kufeldt	Cllr J Harrison	613	0.0	0
E008	Adult Services - Generating Additional Income	Maggie Kufeldt	Cllr J Harrison	401	0.0	0
E010	Adult Services - Income Maximisation	Mark Warren	Cllr J Harrison	192	3.0	0
E011	Integrated Working	Maggie Kufeldt	Cllr J Harrison	200	0.0	0
E012a	Local Area Coordination - A different approach to Adult Social Care	Mark Warren	Cllr J Harrison	824	4.0	0
E013	Oldham Care and Support - Redesigning community reablement	Maggie Kufeldt	Cllr J Harrison	200	0.0	0
E014	Improved Value for Money within Oldham's supported accommodation offer for looked after children & care leavers	Ed Francis	Cllr J Harrison	100	0.0	0
E015	Review of Contracts	Kim Scragg	Cllr J Harrison	100	0.0	0
Total - Health and Wellbeing				7,704	22.5	0
B001	Building Control - Income Generation	Carol Brown	Cllr D Hibbert	25	0.0	0
B003a	Public Protection - Commercial Protection Team within Environmental Health section of Public Health	Carol Brown	Cllr B Brownridge	70	2.0	0
B003b	Public Protection - Neighbourhood Enforcement Team within Environmental Health section of Public Health	Carol Brown	Cllr B Brownridge	80	3.0	0
B004	Environmental Management (Parks & Street scene)	Carol Brown	Cllr B Brownridge	100	4.0	0
B005	Street Lighting - Shared Client Team	Carol Brown	Cllr D Hibbert	22	1.0	13
B006	Waste Management - Increasing net income on trade waste collection contracts	Carol Brown	Cllr B Brownridge	78	0.0	0
B007	Implementation of 2 year cut off for spending Ward & Councillor Budgets	Liz Hume	Cllr B Brownridge	100	0.0	0
B008	Efficiencies from combining into Community Services Directorate	Liz Hume	Cllr B Brownridge	105	1.0	0
B009	Targeted Youth - Reduction in overall contract value	Jill Beaumont	Cllr B Brownridge	130	0.0	0
B010	Universal Youth - Removing contingency	Jill Beaumont	Cllr B Brownridge	100	0.0	0
B011	Universal Youth - Revised Model of Delivery	Jill Beaumont	Cllr B Brownridge	175	4.0	0
B012	Voluntary, Community and Faith Sector Commissioning	Bruce Penhale	Cllr B Brownridge	80	0.0	0
B013	Targeted Early Help Team Support for PFI Housing Neighbourhoods	Debbie Holland/John Rooney	Cllr B Brownridge	50	0.0	0
B014	Early Help use of libraries for community portion of offer	Debbie Holland/Sheena Macfarlane	Cllr B Brownridge	50	0.0	0
B015	Transfer Independent Domestic Violence Advocacy (IDVA) function from Community Safety to Early Help	Haydn Roberts/Debbie Holland	Cllr B Brownridge	70	0.0	0
B016	Early Help re-tendering to re-focus service on supporting families at an earlier stage	Debbie Holland	Cllr B Brownridge	130	0.0	0
B018	Increased income into First Response through new CCTV or security contracts	John Rooney	Cllr B Brownridge	50	0.0	0
B019	Review of PFI Contract Arrangements	John Rooney/Andy Cooper	Cllr B Brownridge/Cllr A Jabbar	150	0.0	0
B020	Community Safety Services Income Target	Haydn Roberts	Cllr B Brownridge	50	0.0	0
B021	Early Help Children's Centre	Debbie Holland	Cllr B Brownridge	11	0.5	0
B022	Music Service Budget Reduction	Jill Beaumont	Cllr B Brownridge	25	0.0	0
B023	Income from Deed of Variation Agreement	John Rooney	Cllr B Brownridge	250	0.0	0
B024	Libraries Options	Sheena Macfarlane	Cllr B Brownridge	20	0.0	0
B025	Library Single Staffing Pilot	Sheena Macfarlane	Cllr B Brownridge	11	0.5	0
B026	Review of Library at Home Service	Sheena Macfarlane	Cllr B Brownridge	22	1.0	33
Total - Cooperatives and Neighbourhoods				1,954	17.0	46
D001	Lifelong Learning Service - Income Generation	Lynda Fairhurst	Cllr S Akhtar	20	0.0	0
D003	Education - Transfer of Income	Caroline Sutton	Cllr S Akhtar	36	0.0	0
D004	Use of Pupil Premium Plus Grant	Caroline Sutton	Cllr S Akhtar	38	0.0	0
D005	Income Generation - Educational Psychology	Caroline Sutton	Cllr S Akhtar	55	0.0	0
D006	Home School Transport	Caroline Sutton	Cllr S Akhtar	148	0.0	0
D007	Reduced Support for Council Operated Day-care Centres	Caroline Sutton	Cllr S Akhtar	80	27.2	0
D010	Contract Award - Oldham Early Years Offer (Including Children's Centres and Health Visiting Services)	Caroline Sutton	Cllr S Akhtar	1,200	0.0	0
D013	Town Centre Management - Re-alignment of Town Centre Operations	Mark Lester	Cllr J Stretton/ Cllr E Moores	175	0.0	0
D014	Oldham Business Leadership Group (OBLG) Grant	Jon Bloor	Cllr J Stretton	35	1.0	0
D015	Mainstreaming Council Apprenticeship Budget	Jon Bloor	Cllr S Akhtar	107	0.0	46
D016	Enterprise and Skills Senior Management Restructure	Elaine McLean	Cllr S Akhtar	75	0.0	0
D017	Groundwork Grant	Darren Jones	Cllr J Stretton	11	0.0	0
D018	Re-align Professional Fees with Reserves	Darren Jones	Cllr J Stretton	400	0.0	0
D019	Economy and Skills Supplies and Services Budget Realignment	Elaine McLean	Cllr J Stretton/ Cllr E Moores/Cllr S Akhtar	292	0.0	0
Total - Economy and Skills				2,672	28.2	46
A001	Organisational Redesign	Carolyn Wilkins	Cllr J Stretton	150	0.0	0
A002	Professional Fees	Heather Moore	Cllr A Shah	24	0.0	0
A003	Business Intelligence Service - Income Generation, Vacancy Management, Restructure	Dami Awobajo	Cllr A Shah	139	2.0	0
A004	Vacant Post within the Executive Support service	Heather Moore	Cllr A Shah	21	1.0	0
A005	Review of Council's Operating Structure	Carolyn Wilkins	Cllr J Stretton	300	2.0	0
Total Chief Executive and Policy & Governance				634	5.0	0
C001	Business Support Redesign	Anne Ryans	Cllr A Jabbar	350	15.0	0
C002	Financial Services Redesign	Anne Ryans	Cllr A Jabbar	375	13.5	137
C003	Schools ICT - Income Generation	Helen Gerling	Cllr A Jabbar	75	0.0	0
C004	Programme Management Office - Income Generation	Christopher Lewis	Cllr A Jabbar	55	0.0	0
C005	Strategic Sourcing & Strategic Relationship Management - Commercial Trading Model	Nicola Spence	Cllr A Jabbar	125	2.0	0
C006	Investment Income through Treasury Management	Anne Ryans/Andy Cooper	Cllr A Jabbar	400	0.0	0
C009	Project Diamond - Unity Partnership	Helen Gerling	Cllr A Jabbar	150	0.0	0
C010	Reduction in Unity Contract	Helen Gerling	Cllr A Jabbar	100	0.0	0
C013	Insurance review	Mark Stenson	Cllr A Jabbar	200	0.0	0
C014	Non-Staff Costs	Dianne Frost	Cllr A Jabbar	50	0.0	0
C015	Revenue Priorities Budget Reduction	Anne Ryans	Cllr J Stretton	1,200	0.0	0
Total - Corporate and Commercial				3,080	30.5	137
Total Savings Proposals (T1, T2 and T3)				16,044	103.2	229

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APPENDIX 9

CALCULATION OF COUNCIL TAX TAX BASE 2016/17 (Based on all properties)

Bands	A reduced	A	B	C	D	E	F	G	H	TOTAL
Total number of Dwellings on the Valuation List		50,264	16,820	15,870	6,655	3,235	1,510	858	75	95,287
Total number of Exempt and Disabled Relief Dwellings on the Valuation List	126	(1,165)	(201)	(257)	(92)	(58)	(10)	(6)	(25)	(1,688)
No. of Chargeable Dwellings	126	49,099	16,619	15,613	6,563	3,177	1,500	852	50	93,599
Less: Estimated discounts, exemptions and disabled relief	(10)	(5,844.5)	(1,406.2)	(1,098.7)	(334.5)	(145.2)	(66.2)	(38.7)	(2.5)	(8,946.5)
Total equivalent number of dwellings after discounts, exemptions and disabled relief	116	43,254.5	15,212.8	14,514.3	6,228.5	3,031.8	1,433.8	813.3	47.5	84,652.5
Factor stipulated in regulations	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Band D equivalent	64.4	28,836.3	11,832.2	12,901.6	6,228.5	3,705.5	2,071	1,355.5	95	67,090
Net effect of Local Council Tax Support Scheme (LCTSS) scheme and other adjustments										(11,374.8)
Additional Net Dwellings due to come online in 2016/17 based on known regeneration within the Borough										436.8
TOTAL AFTER LCTSS AND OTHER ADJUSTMENTS										56,152
Multiplied by estimated collection rate										96.89
BAND D EQUIVALENTS										54,406

For information: Parish Council Tax Tax Bases –

Saddleworth 8,389

Shaw & Crompton 5,305

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Proposed Council Tax Bands 2016/17

Band	Oldham Council (Including Social Care Precept)	PCCGM Precept	GMFRA Precept	Saddleworth Parish Precept	Shaw and Crompton Parish Precept
	£	£	£	£	£
A	962.99	104.87	39.18	12.90	10.47
B	1,123.48	122.34	45.71	15.05	12.21
C	1,283.98	139.82	52.24	17.20	13.96
D	1,444.48	157.30	58.78	19.35	15.70
E	1,765.48	192.26	71.84	23.65	19.19
F	2,086.47	227.21	84.90	27.95	22.68
G	2,407.47	262.17	97.96	32.25	26.17
H	2,888.96	314.60	117.56	38.70	31.40

Oldham - Inclusive of Police and Fire Precepts

Band	2015/16	2016/17
	£	£
A	1,068.59	1,107.04
B	1,246.68	1,291.53
C	1,424.80	1,476.04
D	1,602.89	1,660.56
E	1,959.09	2,029.58
F	2,315.30	2,398.58
G	2,671.48	2,767.60
H	3,205.79	3,321.12

Saddleworth Parish Total Council Tax

Band	2015/16	2016/17
	£	£
A	1,081.49	1,119.94
B	1,261.73	1,306.58
C	1,442.00	1,493.24
D	1,622.24	1,679.91
E	1,982.74	2,053.23
F	2,343.25	2,426.53
G	2,703.73	2,799.85
H	3,244.49	3,359.82

Shaw and Crompton Parish Total Council Tax

Band	2015/16	2016/17
	£	£
A	1,078.66	1,117.51
B	1,258.43	1,303.74
C	1,438.23	1,490.00
D	1,618.00	1,676.26
E	1,977.56	2,048.77
F	2,337.13	2,421.26
G	2,696.66	2,793.77
H	3,236.01	3,352.52

In 2016/17 the Oldham Council element of Council Tax includes a precept to be used for Adult Social Care. The precept per band is highlighted in the table below:

Band	Social Care Precept Element
	£
A	18.57
B	21.66
C	24.76
D	27.85
E	34.04
F	40.23
G	46.42
H	55.70

Appendix 11 - Indicative Budget Presentation 2016/17

Portfolio / Directorate Area	Base Budget £m	Pressures £m	Budget Reductions £m	2016/17 Total £m
Economy and Skills				
Economic Development	6.073	0.593	(0.597)	6.069
Education and Early Years	14.199	0.865	(1.495)	13.569
Enterprise and Skills	2.481	0.411	(0.512)	2.380
Schools	0.002	0.000	0.000	0.002
	22.755	1.869	(2.604)	22.020
Health & Wellbeing				
Adults Social Care	47.507	6.100	(5.414)	48.193
Health and Wellbeing Management	(0.173)	0.200	(0.028)	(0.001)
Public Health (Client and delivery)	6.083	0.660	(0.604)	6.139
Safeguarding	23.517	1.052	(1.668)	22.901
	76.934	8.012	(7.714)	77.232
Corporate and Commercial Services				
Commercial and Transformation Services	0.787	0.019	0.088	0.894
Finance	5.213	0.127	(1.034)	4.306
Legal Services	0.509	0.013	(0.010)	0.512
People	0.287	0.007	(0.063)	0.231
	6.796	0.166	(1.019)	5.943
Cooperatives and Neighbourhoods				
Community Services	13.592	0.851	(1.332)	13.111
Environmental Services	64.093	1.583	(0.741)	64.935
	77.685	2.434	(2.073)	78.046
Policy and Governance				
Policy and Governance	2.735	0.168	(0.183)	2.720
	2.735	0.168	(0.183)	2.720
Chief Executive				
Chief Executive Management	0.433	0.000	(0.433)	0.000
	0.433	0.000	(0.433)	0.000
Parish Precepts				
Parish Precepts	0.304	0.006	0.000	0.310
	0.304	0.006	0.000	0.310
Corporate and Democratic Core				
Corporate and Democratic Core	5.277	0.000	0.000	5.277
	5.277	0.000	0.000	5.277
Capital, Treasury and Technical Accounting				
Capital Treasury and Technical Accounting	0.793	0.000	(1.688)	(0.896)
	0.793	0.000	(1.688)	(0.896)
Grand Total before the Use of Reserves	193.712	12.655	(15.714)	190.653
Use of Reserves			(0.330)	(0.330)
Budget for 2016/17	193.712	12.655	(16.044)	190.323

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FINAL LOCAL GOVERNMENT FINANCE SETTLEMENT ANNOUNCEMENT – ISSUED BY THE DCLG

The Secretary of State for Communities and Local Government announced the final local government finance settlement to the House of Commons yesterday, 8 February 2016. Further information, including the Secretary of State's statement and updated tables from the provisional local government finance settlement announced on 17 December 2015 can be found at <https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2016-to-2017>.

Data for your authority (Oldham) is given below:

Summary	2016-17	2017-18	2018-19	2019-20
Settlement Funding Assessment	99,840,169	90,891,517	85,846,609	80,936,774
of which:				
- Revenue Support Grant	40,543,402	30,428,480	23,599,868	16,700,515
- Baseline Funding Level	59,296,767	60,463,036	62,246,742	64,236,259
Tariff/Top-Up	30,236,867	30,831,576	31,741,131	32,755,634
Tariff/Top-Up adjustment				
Safety Net Threshold	54,849,510	55,928,309	57,578,236	59,418,540
Levy Rate (p in £)	0.00	0.00	0.00	0.00
Rural Services Delivery Grant	0	0	0	0
Transition Grant	0	0		

Breakdown of 2016-17 Elements	RSG	BFL	SFA
Upper-Tier Funding	35,923,107	50,560,147	86,483,254
Lower-Tier Funding	4,620,295	8,736,620	13,356,915
Fire and Rescue Funding			
GLA other services			
London Policing			
Total	40,543,402	59,296,767	99,840,169

Breakdown of 2017-18 Elements	RSG	BFL	SFA
Upper-Tier Funding	27,477,407	51,554,581	79,031,988
Lower-Tier Funding	2,951,073	8,908,455	11,859,528
Fire and Rescue Funding			
GLA other services			
London Policing			
Total	30,428,480	60,463,036	90,891,517

Breakdown of 2018-19 Elements	RSG	BFL	SFA
Upper-Tier Funding	21,714,663	53,075,480	74,790,143
Lower-Tier Funding	1,885,205	9,171,261	11,056,466
Fire and Rescue Funding			
GLA other services			
London Policing			
Total	23,599,868	62,246,742	85,846,609

Breakdown of 2019-20 Elements	RSG	BFL	SFA
Upper-Tier Funding	16,005,818	54,771,868	70,777,686
Lower-Tier Funding	694,697	9,464,391	10,159,088
Fire and Rescue Funding			
GLA other services			
London Policing			
Total	16,700,515	64,236,259	80,936,774

APPENDIX 13 - FEES & CHARGES for 2016/17	2015/16 AGREED CHARGES FOR INFO ONLY	2016/17 PROPOSED FEES & CHARGES	INCREASE ON PRIOR YEAR FOR INFO ONLY	PORTFOLIO
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DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
<u>FOOD SAFETY / HEALTH EDUCATION</u>								
EXPORT CERTIFICATION								
• Standard Fee	58.00	58.00	N	0.00	58.00	0.00%	0.00	Cooperatives & Neighbourhoods
• With Samples Taken	115.00	115.00	N	0.00	115.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Testing, Analysis and Risk Assessment of Private Water Supplies - (charge per hour)	46.50	46.50	N	0.00	46.50	0.00%	0.00	Cooperatives & Neighbourhoods
• Investigation (charge per investigation)	100.00	100.00	N	0.00	100.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Granting an authorisation (charge per investigation)	100.00	100.00	N	0.00	100.00	0.00%	0.00	Cooperatives & Neighbourhoods
<u>HEALTH AND SAFETY</u>								
• Charge for each 30 minutes or part thereof of staff time	54.00	54.00	N	0.00	54.00	0.00%	0.00	Cooperatives & Neighbourhoods
CHARGES FOR PHOTOCOPYING A4 SIZES:								
• First sheet	0.10	0.10	N	0.00	0.10	0.00%	0.00	Cooperatives & Neighbourhoods
• Second and subsequent sheets up to a maximum of 25	0.10	0.10	N	0.00	0.10	0.00%	0.00	Cooperatives & Neighbourhoods
CHARGES FOR PHOTOCOPYING A3 SIZES:								
• First sheet	0.10	0.10	N	0.00	0.10	0.00%	0.00	Cooperatives & Neighbourhoods
• Second and subsequent sheets up to a maximum of 25	0.10	0.10	N	0.00	0.10	0.00%	0.00	Cooperatives & Neighbourhoods
• Provision of information to third parties in connection with investigations carried out under Health and Safety legislation	209.00	209.00	N	0.00	209.00	0.00%	0.00	Cooperatives & Neighbourhoods
EAR PIERCING, BODY PIERCING AND TATTOOING								
• Registration fee per application	105.00	105.00	N	0.00	105.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Registration fee per individual;	61.00	61.00	N	0.00	61.00	0.00%	0.00	Cooperatives & Neighbourhoods
<u>ANIMAL HEALTH</u>								
• Pet animals act licence	107.00	107.00	N	0.00	107.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Animal boarding establishments act licence	128.00	128.00	N	0.00	128.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Breeding of dogs act licence	107.00	107.00	N	0.00	107.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Riding establishments act licence	214.00	214.00	N	0.00	214.00	0.00%	0.00	Cooperatives & Neighbourhoods
DANGEROUS WILD ANIMALS ACT LICENCE								
• New	255.00	255.00	N	0.00	255.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Renewal involving change of circumstances	214.00	214.00	N	0.00	214.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Renewal involving no change of circumstances	112.00	112.00	N	0.00	112.00	0.00%	0.00	Cooperatives & Neighbourhoods

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
• Zoo Licence	694.00	694.00	N	0.00	694.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Performing Animal Registration	107.00	107.00	N	0.00	107.00	0.00%	0.00	Cooperatives & Neighbourhoods
The above licence fees are subject to veterinary fees incurred								
<u>NEIGHBOURHOOD ENFORCEMENT</u>								
ENVIRONMENTAL INFORMATION REGULATIONS ETC INFORMATION								
• Charge for each 30 minutes, or part thereof, of staff time	54.00	54.00	N	0.00	54.00	0.00%	0.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
CHARGES FOR PHOTOCOPYING A4 SIZES:								
• First sheet	0.10	0.10	N	0.00	0.10	0.00%	0.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
• Second and subsequent sheets up to a maximum of 25	0.10	0.10	N	0.00	0.10	0.00%	0.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
CHARGES FOR PHOTOCOPYING A3 SIZES:								
• First sheet	0.10	0.10	N	0.00	0.10	0.00%	0.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
• Second and subsequent sheets up to a maximum of 25	0.10	0.10	N	0.00	0.10	0.00%	0.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
• Additional charge if number of sheets exceeds 25 or if retrieval of the copies takes more than 15 minutes, based on each 30 minutes, or part thereof, of staff time	20.40	20.40	N	0.00	20.40	0.00%	0.00	Cooperatives & Neighbourhoods
<u>PUBLIC HEALTH</u>								
CONTAMINATED LAND INVESTIGATION								
• Provision of information from files	107.00	107.00	N	0.00	107.00	0.00%	0.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
• File/record search	219.00	219.00	N	0.00	219.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Monitoring/Sampling	Time and materials charged at cost base	Time and materials charged at cost base	Y	Based on individual quoted cost	Time and materials charged at cost base	Variable	Variable	Cooperatives & Neighbourhoods
<u>PEST CONTROL</u>								
DOMESTIC PREMISES								
• Treatment for public health pests - rats, mice, cockroaches	30.00	30.00	Y	6.00	36.00	0.00%	0.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
• Treatment for bed bugs	30.60	30.60	Y	6.12	36.72	0.00%	0.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
• Treatment for non-public health pests	60.00	60.00	Y	12.00	72.00	0.00%	0.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
• Treatment for wasps nests	55.00	55.00	Y	11.00	66.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Treatment for squirrels (including the lure of traps and one return visit)	117.00	117.00	Y	23.40	140.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Fleas	83.00	83.00	Y	16.60	99.60	0.00%	0.00	Cooperatives & Neighbourhoods
• Subsequent visits	22.00	22.00	Y	4.40	26.40	0.00%	0.00	Cooperatives & Neighbourhoods
The charges above are subject to a 5% discount for payment in advance								

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
• Callout charge -no treatment necessary	20.00	20.00	Y	4.00	24.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Key7 collection charge	20.00	20.00	Y	4.00	24.00	0.00%	0.00	Cooperatives & Neighbourhoods
COMMERCIAL PREMISES								Cooperatives & Neighbourhoods
BASIC/STARTER CONTACT								Cooperatives & Neighbourhoods
• Cover for rodents only. Includes 4 x visits per year	200.00	200.00	Y	40.00	240.00	0.00%	0.00	Cooperatives & Neighbourhoods
INTERMEDIATE CONTRACT								Cooperatives & Neighbourhoods
• Cover is for rodents and includes 6 x visits and 2 free insect treatments (Non food pests & wood boring beetles)	265.00	265.00	Y	53.00	318.00	0.00%	0.00	Cooperatives & Neighbourhoods
INTERMEDIATE PLUS								Cooperatives & Neighbourhoods
• Cover includes 6 visits per year and covers rodents and 2 insect treatments (Includes all food pests, wasps & bees, but does not include wood boring beetles)	365.00	365.00	Y	73.00	438.00	0.00%	0.00	Cooperatives & Neighbourhoods
ADVANCED CONTRACT								Cooperatives & Neighbourhoods
• Cover includes rodents and most insects (does not include wood boring beetles). Includes 8 X visits per year	510.00	510.00	Y	102.00	612.00	0.00%	0.00	Cooperatives & Neighbourhoods
ADDITIONAL HOURLY RATES FOR VISITS/TREATMENTS								Cooperatives & Neighbourhoods
• Hourly rate for all treatments	78.00	78.00	Y	15.60	93.60	0.00%	0.00	Cooperatives & Neighbourhoods
ADDITIONAL OPERATIVE								Cooperatives & Neighbourhoods
• Hourly rate	44.00	44.00	Y	8.80	52.80	0.00%	0.00	Cooperatives & Neighbourhoods
• Reclamation fee for the recovery of dogs from the Manchester and district home for lost dogs (price fixed by Law)	25.00	25.00	N	0.00	25.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Kennelling and detention costs	45.00	45.00	N	0.00	45.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Kennelling and detention costs - out of hours	55.00	55.00	N	0.00	55.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Admin costs	59.00	59.00	N	0.00	59.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Administrative charge for default work 25% (maximum £300)	25% (maximum of £300)	25% (maximum of £300)	N	0.00	25% (maximum of £300)	Variable	Variable	Cooperatives & Neighbourhoods
FORMAL RESPONSES TO REQUESTS FOR TECHNICAL INFORMATION SUBMITTED BY INSURANCE COMPANIES ETC. RELATIVE TO DRAINAGE INVESTIGATIONS ETC.								Cooperatives & Neighbourhoods
• Per letter	158.10	158.10	N	0.00	158.10	0.00%	0.00	Cooperatives & Neighbourhoods
<u>REGISTRARS, BIRTHS, DEATHS & MARRIAGES</u>								Cooperatives & Neighbourhoods
WEDDINGS AT EXTERNAL VENUES								Cooperatives & Neighbourhoods
• Monday to Saturday	280.00	280.00	N	0.00	280.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Sundays and Bank Holidays	326.67	326.67	N	0.00	326.67	0.00%	0.00	Cooperatives & Neighbourhoods

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
CIVIL FUNERALS								Cooperatives & Neighbourhoods
• Civil Funeral	120.00	125.00	N	0.00	125.00	4.17%	5.00	Cooperatives & Neighbourhoods
• Civil Funeral for Still Births	26.00	26.00	N	0.00	26.00	0.00%	0.00	Cooperatives & Neighbourhoods
PROVISIONAL BOOKING FEE								Cooperatives & Neighbourhoods
• Non refundable deposit for all provisional bookings for ceremonies	45.00	45.00	N	0.00	45.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Provisional booking fee for ncs/scs appointments	25.00	25.00	N	0.00	25.00	0.00%	0.00	Cooperatives & Neighbourhoods
REGISTER OFFICE CEREMONIES								Cooperatives & Neighbourhoods
WEDDDINGS / CIVIL CEREMONIES MONDAY - SATURDAY (AM)								Cooperatives & Neighbourhoods
• Register Office (Small party max 6)	50.00	50.00	N	0.00	50.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Green Room (Medium party max 20) Chadderton Town Hall	83.33	83.33	N	0.00	83.33	0.00%	0.00	Cooperatives & Neighbourhoods
• Oak Room – Former Council Chamber (max 100) Chadderton Town Hall	125.00	133.33	N	0.00	133.33	6.66%	8.33	Cooperatives & Neighbourhoods
• Champagne Toast - Register Office (per person)	4.17	4.17	N	0.00	4.17	0.00%	0.00	Cooperatives & Neighbourhoods
SATURDAY (AM)								Cooperatives & Neighbourhoods
• Green Room (Medium party max 20) Chadderton Town Hall	79.17	79.17	N	0.00	79.17	0.00%	0.00	Cooperatives & Neighbourhoods
• Oak Room – Former Council Chamber (max 100) Chadderton Town Hall	116.67	116.67	N	0.00	116.67	0.00%	0.00	Cooperatives & Neighbourhoods
SATURDAY (PM)								Cooperatives & Neighbourhoods
• Weddings at Chadderton Town Hall - Green or Oak Room	280.00	280.00	N	0.00	280.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Civil Partnerships at Chadderton Town Hall - Green or Oak Room	280.00	280.00	N	0.00	280.00	0.00%	0.00	Cooperatives & Neighbourhoods
SUNDAYS AND BANK HOLIDAYS								Cooperatives & Neighbourhoods
• Weddings at Chadderton Town Hall - Green or Oak Room	326.67	326.67	N	0.00	326.67	0.00%	0.00	Cooperatives & Neighbourhoods
• Civil Partnerships at Chadderton Town Hall - Green or Oak Room	326.67	326.67	N	0.00	326.67	0.00%	0.00	Cooperatives & Neighbourhoods
BABY NAMING CEREMONIES								Cooperatives & Neighbourhoods
• Monday – Saturday am at Chadderton Town Hall	112.50	116.67	Y	23.33	140.00	3.71%	4.17	Cooperatives & Neighbourhoods
• Saturday pm, Sundays and Bank Holidays or External Venues	166.67	166.67	Y	33.33	200.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Sunday and bank holidays	229.17	229.17	Y	45.83	275.00	0.00%	0.00	Cooperatives & Neighbourhoods
REAFFIRMATION OF VOWS								Cooperatives & Neighbourhoods
• Monday – Saturday am at Chadderton Town Hall	112.50	116.67	Y	23.33	140.00	3.71%	4.17	Cooperatives & Neighbourhoods
• Saturday or External Venues	166.67	166.67	Y	33.33	200.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Sundays and Bank Holidays	229.17	229.17	Y	45.83	275.00	0.00%	0.00	Cooperatives & Neighbourhoods

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
CITIZENSHIP CEREMONIES								Cooperatives & Neighbourhoods
• Individual Citizenship Ceremonies	64.17	64.17	Y	12.83	77.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Public Citizenship Ceremonies	80.00	80.00	N	0.00	80.00	0.00%	0.00	Cooperatives & Neighbourhoods
NATIONALITY CHECKING SERVICE								Cooperatives & Neighbourhoods
• Adult with single application.	41.67	43.33	Y	8.67	52.00	3.99%	1.66	Cooperatives & Neighbourhoods
• Husband and wife living together who apply at the same time.	59.17	59.17	Y	11.83	71.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Husband and wife and up to 2 children.	70.83	70.83	Y	14.17	85.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Additional children on parents application.	22.08	22.08	Y	4.42	26.50	0.00%	0.00	Cooperatives & Neighbourhoods
• One or more children under the age of 18 who apply separately from their parents.	22.08	22.08	Y	4.42	26.50	0.00%	0.00	Cooperatives & Neighbourhoods
• Single parent and up to 2 children	59.17	59.17	Y	11.83	71.00	0.00%	0.00	Cooperatives & Neighbourhoods
For applicants requiring assistance in completing application forms, fees will be doubled.								
SETTLEMENT SERVICE CHECKING								Cooperatives & Neighbourhoods
• One Adult applying on SET(M) form	76.67	81.67	Y	16.33	98.00	6.53%	5.00	Cooperatives & Neighbourhoods
• Each dependent included on form	13.33	13.33	Y	2.67	16.00	0.00%	0.00	Cooperatives & Neighbourhoods
OPTIONAL SAME DAY CERTIFICATE SERVICE								Cooperatives & Neighbourhoods
• Charge for Payments made by Credit/Debit Card (per transaction)	6.50	6.50	N	0.00	6.50	0.00%	0.00	Cooperatives & Neighbourhoods
• Room Hire (Green Room) per half day	1.00	1.00	N	0.00	1.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Room Hire (Green Room) per half day	33.33	33.33	Y	6.67	40.00	0.00%	0.00	Cooperatives & Neighbourhoods
CERTIFICATES								Cooperatives & Neighbourhoods
• Birth, Death, Marriage, Civil Partnership - Issued on day	4.00	4.00	N	0.00	4.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Birth, Death, Marriage, Civil Partnership - Issued subsequently	7.00	7.00	N	0.00	7.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Birth, Death, Marriage, Civil Partnership - Historic	10.00	10.00	N	0.00	10.00	0.00%	0.00	Cooperatives & Neighbourhoods
NOTICE OF MARRIAGE OR CIVIL PARTNERSHIP								Cooperatives & Neighbourhoods
• Notice of Marriage or Civil Partnership	35.00	35.00	N	0.00	35.00	0.00%	0.00	Cooperatives & Neighbourhoods
ORGANISATIONAL DEVELOPMENT								Cooperatives & Neighbourhoods
• Standard training courses by Social Care Sector non-council staff	30.00	30.00	Y	6.00	36.00	0.00%	0.00	Cooperatives & Neighbourhoods
TRAFFIC AND HIGHWAYS								Cooperatives & Neighbourhoods
• Construction under the Highway	530.40	530.40	N	0.00	530.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Access to cellars	530.40	530.40	N	0.00	530.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Cellar lights	530.40	530.40	N	0.00	530.40	0.00%	0.00	Cooperatives & Neighbourhoods

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
VEHICLE CROSSINGS								Cooperatives & Neighbourhoods
• Light Duty	Individual estimates based on measured work at 2015-16 prices	Individual estimates based on measured work at 2016-17 prices	N	0.00	Individual estimates based on measured work at 2016-17 prices	Variable	Variable	Cooperatives & Neighbourhoods
• Heavy Duty	As above	As above	N	0.00	As above	As above	As above	Cooperatives & Neighbourhoods
• Heavy Duty (Supervision only)	836.40	836.40	Y	167.28	1,003.68	0.00%	0.00	Cooperatives & Neighbourhoods
• Removal of accident debris	Cost Recovery + £152.00 Admin	Cost Recovery + 152.00 Admin	N	0.00	Cost Recovery + £152.00 Admin	Variable	Variable	Cooperatives & Neighbourhoods
• Variation of a parking place order	Cost Recovery + 12.5%	Cost Recovery + 12.5%	N	0.00	Cost Recovery + 12.5%	Variable	Variable	Cooperatives & Neighbourhoods
• Exemption from or variation to a traffic regulation order	Cost Recovery + 12.5%	Cost Recovery + 12.5%	N	0.00	Cost Recovery + 12.5%	Variable	Variable	Cooperatives & Neighbourhoods
TEMPORARY TRAFFIC ORDERS								Cooperatives & Neighbourhoods
• Temporary (plus cost of advertising)	1,550.00	1,550.00	N	0.00	1,550.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Emergency Road Closures	800.00	800.00	N	0.00	800.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Temporary Traffic Regulation Notice	800.00	800.00	N	0.00	800.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Special events on the Highway	Cost Recovery + 12.5%	Cost Recovery + 12.5%	N	0.00	Cost Recovery + 12.5%	Variable	Variable	Cooperatives & Neighbourhoods
SUSPENSION OF PARKING PLACES								Cooperatives & Neighbourhoods
• Parking Budget	Loss of Income + Cost Recovery	Loss of Income + Cost Recovery +	N	0.00	Loss of Income + Cost Recovery	Variable	Variable	Cooperatives & Neighbourhoods
PERMIT TO ERECT NON-STANDARD DIRECTION SIGNS								Cooperatives & Neighbourhoods
• Consideration of request	214.20	214.20	N	0.00	214.20	0.00%	0.00	Cooperatives & Neighbourhoods
• Erection of signs	Cost Recovery + 12.5%	Cost Recovery + 12.5%	N	0.00	Cost Recovery + 12.5%	Variable	Variable	Cooperatives & Neighbourhoods
• Removal of signs	112.20	112.20	N	0.00	112.20	0.00%	0.00	Cooperatives & Neighbourhoods
• Court fees associated with the above	200.00	Included in the above	N/A	N/A	Included in the above	Included in the above	Included in the above	Cooperatives & Neighbourhoods

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
PERMITS GIVING EXEMPTION TO TRAFFIC ORDERS								Cooperatives & Neighbourhoods
• Per month	35.70	35.70	N	0.00	35.70	0.00%	0.00	Cooperatives & Neighbourhoods
• Per three months	112.20	112.20	N	0.00	112.20	0.00%	0.00	Cooperatives & Neighbourhoods
• Per twelve months	413.10	413.10	N	0.00	413.10	0.00%	0.00	Cooperatives & Neighbourhoods
ACCESS PROTECTION MARKING								Cooperatives & Neighbourhoods
• Access protection markings (prior year (2015/16) charges no longer applicable)	142.80	0.00	N	0.00	0.00	-100.00%	-142.80	Cooperatives & Neighbourhoods
• Fee for application (2016/17 charges)	0.00	50.00	N	0.00	50.00	100.00%	50.00	Cooperatives & Neighbourhoods
• Fee for implementation of application (2016/17 charges)	0.00	100.00	N	0.00	100.00	100.00%	100.00	Cooperatives & Neighbourhoods
SECTION 50 ROAD OPENING LICENCE								Cooperatives & Neighbourhoods
• Maintain existing apparatus	418.20	418.20	N	0.00	418.20	0.00%	0.00	Cooperatives & Neighbourhoods
• Install new service (Initial cost)	836.00	836.00	N	0.00	836.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Install new service (Per additional 200 meters)	285.00	285.00	N	0.00	285.00	0.00%	0.00	Cooperatives & Neighbourhoods
• New Development (Initial cost)	1,825.00	1,825.00	N	0.00	1,825.00	0.00%	0.00	Cooperatives & Neighbourhoods
• New Development (Per additional 200 meters)	336.00	336.00	N	0.00	336.00	0.00%	0.00	Cooperatives & Neighbourhoods
SEWER CONNECTIONS								Cooperatives & Neighbourhoods
• Junction : normal working hours	Cost estimate provided at 2015/16 prices +20%	Cost estimate provided at 2016/17 prices + 20%	Y	Based on individual quoted cost	Cost estimate provided at 2015/16 prices +20%	Based on individual quoted cost	Based on individual quoted cost	Cooperatives & Neighbourhoods
• Junction: outside working hours	Cost estimate provided at 2015/16 prices +20%	Cost estimate provided at 2016/17 prices + 20%	Y	Based on individual quoted cost	Cost estimate provided at 2015/16 prices +20%	Based on individual quoted cost	Based on individual quoted cost	Cooperatives & Neighbourhoods
• Manhole construction	Cost estimate provided at 2015/16 prices +20%	Cost estimate provided at 2016/17 prices + 20%	Y	Based on individual quoted cost	Cost estimate provided at 2015/16 prices +20%	Based on individual quoted cost	Based on individual quoted cost	Cooperatives & Neighbourhoods
SEARCHES BY LETTER (2015/16 Charges)	40/55	See below	N	0.00	See below	See below	See below	Cooperatives & Neighbourhoods
• First 5 questions (2016/17 Charges)	0.00	65.00	N	0.00	65.00	100.00%	65.00	Cooperatives & Neighbourhoods
• Per question after (2016/17 Charges)	0.00	15.00	N	0.00	15.00	100.00%	15.00	Cooperatives & Neighbourhoods
ACCESS PROTECTION MARKING								Cooperatives & Neighbourhoods
• Access protection markings (prior year (2015/16) charges no longer applicable)	142.80	See below	N	0.00	See below	See below	See below	Cooperatives & Neighbourhoods
• Fee for application (2016/17 charges)	0.00	50.00	N	0.00	50.00	100.00%	50.00	Cooperatives & Neighbourhoods
• Fee for implementation of application (2016/17 charges)	0.00	100.00	N	0.00	100.00	100.00%	100.00	Cooperatives & Neighbourhoods

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
ROAD CLOSURE : STOPPING UP ORDERS • Stopping up orders (including court fees)	1,250.00	2,500.00	N	0.00	2,500.00	100.00%	1,250.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
SECTION 38 AND SECTION 278 ADOPTION FEE BOND • £0 - £49k (Charge as % bond value) • £50k - £100k bond value • £100k < bond value	8.0% 7.5% 5.0%	8.5% 8.5% 8.5%	N N N	0.00 0.00 0.00	8.5% 8.5% 8.5%	N/A N/A N/A	N/A N/A N/A	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
ADOPTION FEE FEE • Adoption Fee - minimum charge	1,003.00	2,400.00	N	0.00	2,400.00	139.28%	1,397.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
STREET NAMING • Street Naming	0.00	210.00	N	0.00	210.00	100.00%	210.00	Cooperatives & Neighbourhoods Cooperatives & Neighbourhoods
PARKING ON STREET PARKING MONDAY - SATURDAY 8AM TO 6PM • Disabled badge holders up to 3 hours • Up to and including 15 minutes • Over 15 minutes and including 30 minutes • Over 30 minutes and including 1 hour • Over 1 hour up to and including 1 hour 30 minutes • Over 1 hour 30 minutes and up to and including 2 hours • Annual Parking Waiver (On Street Only) • Short Term Parking Waiver	FREE 0.20 0.40 0.70 1.10 1.50 300.00 35.00	FREE 0.20 0.40 0.70 1.10 1.50 300.00 35.00	N N N N N N N N	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	FREE 0.20 0.40 0.70 1.10 1.50 300.00 35.00	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	Economy & Skills Economy & Skills Economy & Skills Economy & Skills Economy & Skills Economy & Skills Economy & Skills Economy & Skills
TOMMYFIELD MARKET CAR PARK AND CLEGG STREET CAR PARK (INC DISABLED BADGE HOLDERS) ALL DAYS 8AM TO MIDNIGHT • 0 – 30 minutes • 0 – 1 hour • 0 – 2 hours	0.67 1.17 1.67	0.67 1.17 1.67	Y Y Y	0.13 0.23 0.33	0.80 1.40 2.00	0.00% 0.00% 0.00%	0.00 0.00 0.00	Economy & Skills Economy & Skills Economy & Skills Economy & Skills
BOW STREET/SOUTHGATE STREET/WATERLOO STREET CAR PARKS (INC DISABLED BADGE HOLDERS) All Days 8 am to Midnight • 0 – 1 hour • 0 – 2 hours • 0 – 3 hours • 0 – 5 hours • Over 5 hours	1.00 1.42 1.75 2.42 3.83	1.00 1.42 1.75 2.42 3.83	Y Y Y Y Y	0.20 0.28 0.35 0.48 0.77	1.20 1.70 2.10 2.90 4.60	0.00% 0.00% 0.00% 0.00% 0.00%	0.00 0.00 0.00 0.00 0.00	Economy & Skills Economy & Skills Economy & Skills Economy & Skills Economy & Skills

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
CIVIC CENTRE CAR PARK								Economy & Skills
MONDAY TO SATURDAY 8AM TO 7PM								Economy & Skills
• 0 – 1 hour	1.08	1.08	Y	0.22	1.30	0.00%	0.00	Economy & Skills
• 0 – 2 hours	1.50	1.50	Y	0.30	1.80	0.00%	0.00	Economy & Skills
• 0 – 3 hours	2.08	2.08	Y	0.42	2.50	0.00%	0.00	Economy & Skills
• 0 – 4 hours	2.92	2.92	Y	0.58	3.50	0.00%	0.00	Economy & Skills
• 0 – 5 hours	3.08	3.08	Y	0.62	3.70	0.00%	0.00	Economy & Skills
• Over 5 hours	6.67	6.67	Y	1.33	8.00	0.00%	0.00	Economy & Skills
ALL DAYS 7PM TO MIDNIGHT								Economy & Skills
• Disabled Badge Owners	1.00	1.00	Y	0.20	1.20	0.00%	0.00	Economy & Skills
• 0 to 5 hours	1.00	1.00	Y	0.20	1.20	0.00%	0.00	Economy & Skills
SUNDAY 8AM TO 7PM (INC DISABLED BADGE HOLDERS)								Economy & Skills
• 0 – 4 hours	1.08	1.08	Y	0.22	1.30	0.00%	0.00	Economy & Skills
• 0 – 5 hours	3.08	3.08	Y	0.62	3.70	0.00%	0.00	Economy & Skills
• Over 5 hours	6.67	6.67	Y	1.33	8.00	0.00%	0.00	Economy & Skills
NEW RADCLIFFE STREET CAR PARK (DISABLED USE ONLY)								Economy & Skills
ALL DAYS 8AM TO MIDNIGHT								Economy & Skills
• 0 – 3 hours	FREE	FREE	Y	0.00	FREE	0.00%	0.00	Economy & Skills
• 0 – 5 hours	2.42	2.42	Y	0.48	2.90	0.00%	0.00	Economy & Skills
• Over 5 hours	3.83	3.83	Y	0.77	4.60	0.00%	0.00	Economy & Skills
BRADSHAW STREET CAR PARK (INC DISABLED BADGE HOLDERS)								Economy & Skills
MONDAY TO SATURDAY 8AM TO 6PM								Economy & Skills
• 0 – 1 hour	1.00	1.00	Y	0.20	1.20	0.00%	0.00	Economy & Skills
• 0 – 2 hours	1.42	1.42	Y	0.28	1.70	0.00%	0.00	Economy & Skills
• 0 – 3 hours	1.75	1.75	Y	0.35	2.10	0.00%	0.00	Economy & Skills
• 0 – 4 hours	2.33	2.33	Y	0.47	2.80	0.00%	0.00	Economy & Skills
• 0 – 5 hours	2.83	2.83	Y	0.57	3.40	0.00%	0.00	Economy & Skills
• Over 5 hours	5.83	5.83	Y	1.17	7.00	0.00%	0.00	Economy & Skills
SUNDAY 8AM TO 6PM								Economy & Skills
Disabled Badge holders - all day	as per fees below	as per fees below			as per fees below	as per fees below	as per fees below	Economy & Skills
• 0 – 4 hours	1.00	1.00	Y	0.20	1.20	0.00%	0.00	Economy & Skills
• 0 – 5 hours	2.83	2.83	Y	0.57	3.40	0.00%	0.00	Economy & Skills
• Over 5 hours	5.83	5.83	Y	1.17	7.00	0.00%	0.00	Economy & Skills
ALL DAYS 6PM TPO MIDNIGHT								Economy & Skills
Disabled Badge holders - all day	as per fees below	as per fees below			as per fees below	as per fees below	as per fees below	Economy & Skills
• 0 to 6 hours	1.25	1.25	Y	0.25	1.50	0.00%	0.00	Economy & Skills

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DOVESTONES (SADDLEWORTH) CAR PARK	as per fees below	as per fees below			as per fees below	as per fees below	as per fees below	Economy & Skills
Disabled Badge holders - all day								Economy & Skills
ALL DAYS 8AM TO MIDNIGHT								Economy & Skills
• 0 – 3 hours	0.50	0.50	Y	0.10	0.60	0.00%	0.00	Economy & Skills
• All Day	1.08	1.08	Y	0.22	1.30	0.00%	0.00	Economy & Skills
SPORTS CENTRE CAR PARK inc disabled badge holders								Economy & Skills
MONDAY TO SUNDAY 8AM TO 6PM								Economy & Skills
DISABLED BADGE HOLDERS - ALL DAY								Economy & Skills
• 0 – 2 hours	1.33	1.33	Y	0.27	1.60	0.00%	0.00	Economy & Skills
• 2 - 4 hours	2.25	2.25	Y	0.45	2.70	0.00%	0.00	Economy & Skills
• All Day	5.50	5.50	Y	1.10	6.60	0.00%	0.00	Economy & Skills
CONTRACT PASS CHARGES								Economy & Skills
• Civic Centre	696.67	696.67	Y	139.33	836.00	0.00%	0.00	Economy & Skills
• Rochdale Road	696.67	696.67	Y	139.33	836.00	0.00%	0.00	Economy & Skills
• Bradshaw St	641.67	641.67	Y	128.33	770.00	0.00%	0.00	Economy & Skills
• Bow Street	574.17	574.17	Y	114.83	689.00	0.00%	0.00	Economy & Skills
• Southgate Street	614.17	614.17	Y	122.83	737.00	0.00%	0.00	Economy & Skills
• Waterloo Street	614.17	614.17	Y	122.83	737.00	0.00%	0.00	Economy & Skills
HOBSON STREET CAR PARK CONTRACT PARKING								Economy & Skills
• Annual*	581.67	581.67	Y	116.33	698.00	0.00%	0.00	Economy & Skills
• 6 Monthly*	293.33	293.33	Y	58.67	352.00	0.00%	0.00	Economy & Skills
• Quarterly (13 weeks)*	146.67	146.67	Y	29.33	176.00	0.00%	0.00	Economy & Skills
• Four Weekly*	50.42	50.42	Y	10.08	60.50	0.00%	0.00	Economy & Skills
• Weekly*	15.58	15.58	Y	3.12	18.70	0.00%	0.00	Economy & Skills
• 10% reduction for student parking								Economy & Skills
SUSPENSION COSTS								Economy & Skills
• Deployment of a small suspension (up to 20 cones)	29.17	29.17	Y	5.83	35.00	0.00%	0.00	Economy & Skills
• Deployment of a medium suspension (21 to 40 cones)	58.33	58.33	Y	11.67	70.00	0.00%	0.00	Economy & Skills
• Deployment of a large suspension (41 to 100 cones)	87.50	87.50	Y	17.50	105.00	0.00%	0.00	Economy & Skills
TRADE WASTE								
REFUSE COLLECTION								Cooperatives & Neighbourhoods
• Sacks: per sack per year	100.17	102.67	N	0.00	102.67	2.50%	2.50	Cooperatives & Neighbourhoods
• 120 Litre Wheeled Bins per bin per year	143.02	146.60	N	0.00	146.60	2.50%	3.58	Cooperatives & Neighbourhoods
• Second And Subsequent Bins per bin per year	106.65	109.32	N	0.00	109.32	2.50%	2.67	Cooperatives & Neighbourhoods
• 240 Litre Wheeled Bins per bin per year	211.12	216.40	N	0.00	216.40	2.50%	5.28	Cooperatives & Neighbourhoods
• Second And Subsequent Bins per bin per year	174.86	179.23	N	0.00	179.23	2.50%	4.37	Cooperatives & Neighbourhoods
• 330/360 Litre Wheeled Bins per bin per year	287.99	295.19	N	0.00	295.19	2.50%	7.20	Cooperatives & Neighbourhoods
• Second And Subsequent Bins per bin per year	255.92	262.32	N	0.00	262.32	2.50%	6.40	Cooperatives & Neighbourhoods
• 770 Litre Wheeled Bins per bin per year	607.68	622.87	N	0.00	622.87	2.50%	15.19	Cooperatives & Neighbourhoods

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• Second And Subsequent Bins per bin per year	511.84	524.64	N	0.00	524.64	2.50%	12.80	Cooperatives & Neighbourhoods
• 1100 Litre Wheeled Bins per bin per year	781.41	800.95	N	0.00	800.95	2.50%	19.54	Cooperatives & Neighbourhoods
• Second And Subsequent Bins per bin per year	687.60	704.79	N	0.00	704.79	2.50%	17.19	Cooperatives & Neighbourhoods
• 1280 Litre Wheeled Bins per bin per year	799.60	819.59	N	0.00	819.59	2.50%	19.99	Cooperatives & Neighbourhoods
• Second And Subsequent Bins per bin per year	703.66	721.25	N	0.00	721.25	2.50%	17.59	Cooperatives & Neighbourhoods
RECYCLING								Cooperatives & Neighbourhoods
• Sacks: per sack per year	45.00	46.13	N	0.00	46.13	2.51%	1.13	Cooperatives & Neighbourhoods
• 120 Litre Wheeled Bins per bin per year	64.06	65.66	N	0.00	65.66	2.50%	1.60	Cooperatives & Neighbourhoods
• Second And Subsequent Bins per bin per year	47.76	48.95	N	0.00	48.95	2.49%	1.19	Cooperatives & Neighbourhoods
• 240 Litre Wheeled Bins per bin per year	94.59	96.95	N	0.00	96.95	2.50%	2.36	Cooperatives & Neighbourhoods
• Second And Subsequent Bins per bin per year	78.30	80.26	N	0.00	80.26	2.50%	1.96	Cooperatives & Neighbourhoods
• 330/360 Litre Wheeled Bins per bin per year	128.92	132.14	N	0.00	132.14	2.50%	3.22	Cooperatives & Neighbourhoods
• Second And Subsequent Bins per bin per year	114.69	117.56	N	0.00	117.56	2.50%	2.87	Cooperatives & Neighbourhoods
• 770 Litre Wheeled Bins per bin per year	272.32	279.12	N	0.00	279.12	2.50%	6.80	Cooperatives & Neighbourhoods
• Second And Subsequent Bins per bin per year	229.26	234.99	N	0.00	234.99	2.50%	5.73	Cooperatives & Neighbourhoods
• 1100 Litre Wheeled Bins per bin per year	350.14	358.90	N	0.00	358.90	2.50%	8.76	Cooperatives & Neighbourhoods
• Second And Subsequent Bins per bin per year	308.01	315.71	N	0.00	315.71	2.50%	7.70	Cooperatives & Neighbourhoods
• 1280 Litre Wheeled Bins per bin per year	358.17	367.13	N	0.00	367.13	2.50%	8.96	Cooperatives & Neighbourhoods
• Second And Subsequent Bins per bin per year	315.25	323.13	N	0.00	323.13	2.50%	7.88	Cooperatives & Neighbourhoods
REPLACEMENT BINS								Cooperatives & Neighbourhoods
• Wheeled Bin 240l Replacement	29.00	30.00	N	0.00	30.00	3.45%	1.00	Cooperatives & Neighbourhoods
• Wheeled Bin 240l Replacement Recycling	29.00	30.00	N	0.00	30.00	3.45%	1.00	Cooperatives & Neighbourhoods
• Wheeled Bin 140l Replacement	26.00	27.00	N	0.00	27.00	3.85%	1.00	Cooperatives & Neighbourhoods
• Wheeled Bin 140l Replacement Recycling	26.00	27.00	N	0.00	27.00	3.85%	1.00	Cooperatives & Neighbourhoods
• Reconditioned Wheeled 240l Bin Replacement	17.00	18.00	N	0.00	18.00	5.88%	1.00	Cooperatives & Neighbourhoods
• Reconditioned Wheeled 240l Bin Replacement Recycling	17.00	18.00	N	0.00	18.00	5.88%	1.00	Cooperatives & Neighbourhoods
• Reconditioned Wheeled 140l Bin Replacement	13.00	14.00	N	0.00	14.00	7.69%	1.00	Cooperatives & Neighbourhoods
• Reconditioned Wheeled 140l Bin Replacement Recycling	13.00	14.00	N	0.00	14.00	7.69%	1.00	Cooperatives & Neighbourhoods
• Delivery Charge for all Bin Delivery								Cooperatives & Neighbourhoods
BULKY ITEM COLLECTION								Cooperatives & Neighbourhoods
• Collection of 3 bulky items	16.00	17.00	N	0.00	17.00	6.25%	1.00	Cooperatives & Neighbourhoods
• Collection of an additional single bulky item	8.00	9.00	N	0.00	9.00	12.50%	1.00	Cooperatives & Neighbourhoods
• One free collection per year for residents on the Council's assist list	FREE	FREE	N	0.00	FREE	0.00%	0.00	Cooperatives & Neighbourhoods
FLEET MOT CHARGES								Cooperatives & Neighbourhoods
• MOT of Car	40.00	40.00	N	0.00	40.00	0.00%	0.00	Cooperatives & Neighbourhoods
• MOT of Minibus	50.00	50.00	N	0.00	50.00	0.00%	0.00	Cooperatives & Neighbourhoods

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OUTDOOR FACILITIES (CHARGES SEASONAL)								
FOOTBALL, RUGBY, LACROSSE AND HOCKEY								
CHANGING ACCOMMODATION								
• Grade A - Good	186.81	191.00	N	0.00	191.00	2.24%	4.19	Cooperatives & Neighbourhoods
• Grade B - Above Average	146.62	150.00	N	0.00	150.00	2.31%	3.38	Cooperatives & Neighbourhoods
• Grade C - Average	121.78	124.00	N	0.00	124.00	1.82%	2.22	Cooperatives & Neighbourhoods
PITCH								
• Grade A	411.44	420.00	N	0.00	420.00	2.08%	8.56	Cooperatives & Neighbourhoods
• Grade B	341.69	349.00	N	0.00	349.00	2.14%	7.31	Cooperatives & Neighbourhoods
• Grade C	300.32	306.00	N	0.00	306.00	1.89%	5.68	Cooperatives & Neighbourhoods
• Occasional use of pitch including accommodation	83.94	85.62	Y	17.12	102.74	2.00%	1.68	Cooperatives & Neighbourhoods
• Occasional use of pitch only	66.30	67.63	Y	13.53	81.16	2.01%	1.33	Cooperatives & Neighbourhoods
• Occasional use of changing accommodation per hour	16.53	16.86	Y	3.37	20.23	2.00%	0.33	Cooperatives & Neighbourhoods
JUNIOR CHARGES								
• 75% of the above charges	75% of above	75% of above			75% of above	75% of above	75% of above	Cooperatives & Neighbourhoods
CRICKET								
• Use of pitch per season alternate Saturdays <u>without</u> changing accommodation	360.61	368.00	N	0.00	368.00	2.05%	7.39	Cooperatives & Neighbourhoods
• Use of pitch per season alternate Saturdays <u>with</u> changing accommodation	484.79	494.00	N	0.00	494.00	1.90%	9.21	Cooperatives & Neighbourhoods
• Casual use of pitch <u>and</u> changing accommodation per match	83.94	85.62	Y	17.12	102.74	2.00%	1.68	Cooperatives & Neighbourhoods
• Casual use of pitch <u>without</u> changing accommodation per match	66.00	67.32	Y	13.46	80.78	2.00%	1.32	Cooperatives & Neighbourhoods
PARKS AND OPEN SPACES								
• Hire of large park or playing field	313.31	319.57	Y	63.91	383.48	2.00%	6.26	Cooperatives & Neighbourhoods
• Concessionary use by a Charity	204.58	208.67	Y	41.73	250.40	2.00%	4.09	Cooperatives & Neighbourhoods
• Hire of small park or playing field	148.97	151.95	Y	30.39	182.34	2.00%	2.98	Cooperatives & Neighbourhoods
• Concessionary use by a Charity	99.32	101.31	Y	20.26	121.57	2.00%	1.99	Cooperatives & Neighbourhoods
CEMETERIES								
NEW GRAVES								
• New grave for 1 or 2 people	785.00	800.00	N	0.00	800.00	1.91%	15.00	Cooperatives & Neighbourhoods
• (Non resident)	1,178.00	1,200.00	N	0.00	1,200.00	1.87%	22.00	Cooperatives & Neighbourhoods
• New grave for 3 interments	829.00	845.00	N	0.00	845.00	1.93%	16.00	Cooperatives & Neighbourhoods
• (Non resident)	1,243.00	1,265.00	N	0.00	1,265.00	1.77%	22.00	Cooperatives & Neighbourhoods
• New grave for 2 interments including foundation	930.00	950.00	N	0.00	950.00	2.15%	20.00	Cooperatives & Neighbourhoods
• (Non resident)	1,322.00	1,350.00	N	0.00	1,350.00	2.12%	28.00	Cooperatives & Neighbourhoods
• New grave for 3 interments including foundation	974.00	993.00	N	0.00	993.00	1.95%	19.00	Cooperatives & Neighbourhoods
• (Non resident)	1,388.00	1,415.00	N	0.00	1,415.00	1.95%	27.00	Cooperatives & Neighbourhoods
• Plot for cremated remains – Crompton	696.00	700.00	N	0.00	700.00	0.57%	4.00	Cooperatives & Neighbourhoods
• Plot for cremated remains – Crompton (non resident)	1,045.00	1,045.00	N	0.00	1,045.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Appointment to choose a new grave or locate a grave with staff assistance	31.00	32.00	N	0.00	32.00	3.23%	1.00	Cooperatives & Neighbourhoods

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INTERMENT FEES FOR OPENING STANDARD PLOT GRAVES AND VAULTS WITH EXCLUSIVE RIGHT OF BURIAL AND PUBLIC GRAVES								
• Persons 18 years of age and over	765.00	780.00	N	0.00	780.00	1.96%	15.00	Cooperatives & Neighbourhoods
• Persons 18 years of age and over (non resident)	1,145.00	1,160.00	N	0.00	1,160.00	1.31%	15.00	Cooperatives & Neighbourhoods
• Persons 18 years of age and under	FREE	FREE	N	0.00	FREE	0.00%	0.00	Cooperatives & Neighbourhoods
• Still born and Non-viable foetus	FREE	FREE	N	0.00	FREE	0.00%	0.00	Cooperatives & Neighbourhoods
• Exhumation fees	1,071.00	1,071.00	N	0.00	1,071.00	0.00%	0.00	Cooperatives & Neighbourhoods
SURCHARGES FOR OUT OF NORMAL HOURS BURIALS								
• Mon to Thurs between 2.30 and 4.00	48.00	49.00	N	0.00	49.00	2.08%	1.00	Cooperatives & Neighbourhoods
• Friday between 11am and 12noon	48.00	49.00	N	0.00	49.00	2.08%	1.00	Cooperatives & Neighbourhoods
• Friday between 12noon and 1pm	95.00	97.00	N	0.00	97.00	2.11%	2.00	Cooperatives & Neighbourhoods
• Friday between 1pm and 2pm	143.00	146.00	N	0.00	146.00	2.10%	3.00	Cooperatives & Neighbourhoods
• Friday after 2pm and weekday evenings	193.00	197.00	N	0.00	197.00	2.07%	4.00	Cooperatives & Neighbourhoods
• Burials (Saturday, Sunday or Bank Holidays)	513.00	513.00	N	0.00	513.00	0.00%	0.00	Cooperatives & Neighbourhoods
INTERMENT OF CREMATED REMAINS								
• Interment in earthen graves or vaults	212.00	215.00	N	0.00	215.00	1.42%	3.00	Cooperatives & Neighbourhoods
• Strewing of cremated remains (Non Oldham resident)	50.00	50.00	N	0.00	50.00	0.00%	0.00	Cooperatives & Neighbourhoods
MONUMENTAL FEES								
• Permission to erect a memorial not exceeding 3' in height	160.00	163.00	N	0.00	163.00	1.88%	3.00	Cooperatives & Neighbourhoods
• Permission to erect a memorial not exceeding 3' in height (non resident)	231.00	235.00	N	0.00	235.00	1.73%	4.00	Cooperatives & Neighbourhoods
• Permission to add an additional inscription	41.00	42.00	N	0.00	42.00	2.44%	1.00	Cooperatives & Neighbourhoods
• Provision of memorial under 2'	59.50	61.00	N	0.00	61.00	2.52%	1.50	Cooperatives & Neighbourhoods
• Permission to erect vases not exceeding 18" in height	19.50	20.00	N	0.00	20.00	2.56%	0.50	Cooperatives & Neighbourhoods
• Permission to erect vases not exceeding 18" in height (non resident)	26.50	27.00	N	0.00	27.00	1.89%	0.50	Cooperatives & Neighbourhoods
OTHER CHARGES								
• Bricked Grave for 2 persons	688.00	700.00	N	0.00	700.00	1.74%	12.00	Cooperatives & Neighbourhoods
• Bricked Grave for 2 persons (non resident)	1,029.00	1,050.00	N	0.00	1,050.00	2.04%	21.00	Cooperatives & Neighbourhoods
• Surcharge for oversized coffins (more than actual measurement)	0.00	50.00	N	0.00	50.00	100.00%	50.00	Cooperatives & Neighbourhoods
• Bricks to seal grave	100.00	102.00	N	0.00	102.00	2.00%	2.00	Cooperatives & Neighbourhoods
• Concrete lining for graves	260.00	265.00	N	0.00	265.00	1.92%	5.00	Cooperatives & Neighbourhoods
• Test dig to confirm depth	61.00	62.00	N	0.00	62.00	1.64%	1.00	Cooperatives & Neighbourhoods
• Certified extracts from burial register	20.00	20.00	N	0.00	20.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Transfer of grant of exclusive right of burial	63.00	64.00	N	0.00	64.00	1.59%	1.00	Cooperatives & Neighbourhoods
• Transfer of grant of exclusive right of burial (to a non resident)	89.00	90.00	N	0.00	90.00	1.12%	1.00	Cooperatives & Neighbourhoods
• Issue duplicate of grant of exclusive right of burial	60.00	60.00	N	0.00	60.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Issue duplicate of grant of exclusive right of burial (non resident)	91.00	93.00	N	0.00	93.00	2.20%	2.00	Cooperatives & Neighbourhoods
• Use of Crematorium Chapel (Inc. recorded music or use of organ)	184.00	187.00	N	0.00	187.00	1.63%	3.00	Cooperatives & Neighbourhoods

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• Re-open niche	56.00	57.00	N	0.00	57.00	1.79%	1.00	Cooperatives & Neighbourhoods
• Grave search	15.00	15.25	N	0.00	15.25	1.67%	0.25	Cooperatives & Neighbourhoods
• Register search	37.00	37.50	N	0.00	37.50	1.35%	0.50	Cooperatives & Neighbourhoods
• Bronze memorial plaque lease for 10 years	254.50	260.00	N	0.00	260.00	2.16%	5.50	Cooperatives & Neighbourhoods
• Renewal of memorial position for 10 years	160.00	163.00	N	0.00	163.00	1.88%	3.00	Cooperatives & Neighbourhoods
• Renewal of memorial position for 5 years	92.00	94.00	N	0.00	94.00	2.17%	2.00	Cooperatives & Neighbourhoods
• Bronze memorial plaque including lettering	99.58	101.66	Y	20.33	122.00	2.09%	2.08	Cooperatives & Neighbourhoods
• Double Bronze memorial plaque including lettering	130.83	133.33	Y	26.67	160.00	1.91%	2.50	Cooperatives & Neighbourhoods
• Lease position on shared bench (to be introduced as available)	254.50	260.00	N	0.00	260.00	2.16%	5.50	Cooperatives & Neighbourhoods
CREMATION FEES								
• Persons 18 years of age and over (includes recorded music or use of the organ)	589.00	600.00	N	0.00	600.00	1.87%	11.00	Cooperatives & Neighbourhoods
• Persons under 18 years of age	FREE	FREE	N	0.00	FREE	0.00%	0.00	Cooperatives & Neighbourhoods
• Cremation environmental levy charge (Mercury Abatement legislation)	52.00	53.50	N	0.00	53.50	2.88%	1.50	Cooperatives & Neighbourhoods
• Medical Referee Charge	26.00	26.50	N	0.00	26.50	1.92%	0.50	Cooperatives & Neighbourhoods
• Cremation of Stillborn or non-viable foetus	FREE	FREE	N	0.00	FREE	0.00%	0.00	Cooperatives & Neighbourhoods
OTHER CHARGES								
• Certified extracts from crematorium register	19.00	19.00	N	0.00	19.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Provision of wooden caskets	66.00	66.00	N	0.00	66.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Surcharge for cremation after 3.30 pm and extended services (per 30mins)	88.00	90.00	N	0.00	90.00	2.27%	2.00	Cooperatives & Neighbourhoods
FEES FOR INSCRIPTION IN THE BOOK OF REMEMBRANCE (excludes VAT)								
• Standard 2 line entry	68.33	69.58	Y	13.92	83.50	1.83%	1.25	Cooperatives & Neighbourhoods
• 5 line entry	121.67	124.17	Y	24.83	149.00	2.05%	2.50	Cooperatives & Neighbourhoods
• 8 line entry	204.17	207.50	Y	41.50	249.00	1.63%	3.33	Cooperatives & Neighbourhoods
• 5 line entry with floral emblem	253.33	257.91	Y	51.58	309.50	1.81%	4.58	Cooperatives & Neighbourhoods
• 5 line entry with badge, crest, shield, illuminated Capital or 8 Line entry with floral emblem.	312.50	316.67	Y	63.33	380.00	1.33%	4.17	Cooperatives & Neighbourhoods
• 8 line entry with badge, crest, shield or illuminated capital	333.33	337.50	Y	67.50	405.00	1.25%	4.17	Cooperatives & Neighbourhoods
• 8 line entry with full coat of arms	350.83	350.83	Y	70.17	421.00	0.00%	0.00	Cooperatives & Neighbourhoods
MEMORIAL CARDS (excludes VAT)								
• Standard 2 line entry	32.50	33.33	Y	6.67	40.00	2.55%	0.83	Cooperatives & Neighbourhoods
• 5 line entry	40.00	40.83	Y	8.17	49.00	2.08%	0.83	Cooperatives & Neighbourhoods
• 8 line entry	54.17	55.17	Y	11.03	66.20	1.85%	1.00	Cooperatives & Neighbourhoods
• 5 line entry with motif	67.08	68.33	Y	13.67	82.00	1.86%	1.25	Cooperatives & Neighbourhoods
• 8 line entry with motif	75.00	76.67	Y	15.33	92.00	2.23%	1.67	Cooperatives & Neighbourhoods

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
<u>CCTV, SECURITY AND FIRST RESPONSE SERVICES</u>								
ALARM RECEIVING CENTRE - PROTECTOR PACKAGES								
								Cooperatives & Neighbourhoods
• GOLD – Including alarm and sound monitoring, alarm response and patrols, primary key holding, Line Guard and visual verification,	4,335.00	4,335.00	Y	867.00	5,202.00	0.00%	0.00	Cooperatives & Neighbourhoods
• SILVER – Including alarm and sound monitoring, alarm response and patrols, secondary key holding and Line Guard.	3,478.00	3,478.00	Y	695.60	4,173.60	0.00%	0.00	Cooperatives & Neighbourhoods
• BRONZE 1 – Including conventional alarm monitoring, alarm response and patrols and secondary key holding.	2,764.00	2,764.00	Y	552.80	3,316.80	0.00%	0.00	Cooperatives & Neighbourhoods
• BRONZE 2 – Including alarm and sound monitoring, alarm response and patrols and primary key holding.	3,356.00	3,356.00	Y	671.20	4,027.20	0.00%	0.00	Cooperatives & Neighbourhoods
ALARM MONITORING								
• Sonitrol Alarm Monitoring	1,352.00	1,352.00	Y	270.40	1,622.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Galaxy Gold Alarm Monitoring	1,020.00	1,020.00	Y	204.00	1,224.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Conventional Alarm Monitoring	785.00	785.00	Y	157.00	942.00	0.00%	0.00	Cooperatives & Neighbourhoods
STAFF HOME ALARM MONITORING								
• Monitoring and Advisor Only	107.00	107.00	Y	21.40	128.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Monitoring with Police Response	261.00	261.00	Y	52.20	313.20	0.00%	0.00	Cooperatives & Neighbourhoods
• Monitoring with Police, Fire and Panic Attack Modes	403.00	403.00	Y	80.60	483.60	0.00%	0.00	Cooperatives & Neighbourhoods
• Line Guard (was Paknet – replaced with a cheaper system)	275.00	275.00	Y	55.00	330.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Visual Verification	812.00	812.00	Y	162.40	974.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Trap Alarm Hire (per week)	27.00	27.00	Y	5.40	32.40	0.00%	0.00	Cooperatives & Neighbourhoods
KEYHOLDING								
• Primary key holder	408.00	408.00	Y	81.60	489.60	0.00%	0.00	Cooperatives & Neighbourhoods
• Secondary key holder	278.00	278.00	Y	55.60	333.60	0.00%	0.00	Cooperatives & Neighbourhoods
• Alarm call out if FRS is secondary key holder, but primary key holder unavailable within 30 minutes	28.00	28.00	Y	5.60	33.60	0.00%	0.00	Cooperatives & Neighbourhoods
• Alarm call out if FRS is not a key holder and no key holder is available within 30 minutes. After 30 minutes, charged at spot hire rate for static guard.	57.00	57.00	Y	11.40	68.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Key cutting (standard key)	5.00	5.00	Y	1.00	6.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Key cutting (specialist key – including master keys)	21.00	21.00	Y	4.20	25.20	0.00%	0.00	Cooperatives & Neighbourhoods
LONE WORKER PROTECTION								
• Mobile device set up fee	56.00	56.00	Y	11.20	67.20	0.00%	0.00	Cooperatives & Neighbourhoods
• GOLD risk device tracking (per month)	33.00	33.00	Y	6.60	39.60	0.00%	0.00	Cooperatives & Neighbourhoods
• SILVER risk device tracking (per month)	22.00	22.00	Y	4.40	26.40	0.00%	0.00	Cooperatives & Neighbourhoods
• BRONZE risk device tracking (per month)	12.00	12.00	Y	2.40	14.40	0.00%	0.00	Cooperatives & Neighbourhoods
<u>PATROLLING AND GUARDING SERVICES</u>								
BUILDING SERVICES								
• Opening of a building (must also be a key holder) (per opening)	21.00	21.00	Y	4.20	25.20	0.00%	0.00	Cooperatives & Neighbourhoods

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CLOSING OF A BUILDING INCLUDING SECURITY SWEEP (MUST ALSO BE A KEY HOLDER) - (PER CLOSING)								Cooperatives & Neighbourhoods
• Small building	27.00	27.00	Y	5.40	32.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Medium building	57.00	57.00	Y	11.40	68.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Large building	114.00	114.00	Y	22.80	136.80	0.00%	0.00	Cooperatives & Neighbourhoods
• Internal postal courier service (includes returning external post to central post room) (per pickup)	11.00	11.00	Y	2.20	13.20	0.00%	0.00	Cooperatives & Neighbourhoods
• Annual patrolling contract (public/third sector)	2,015.00	2,015.00	Y	403.00	2,418.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Annual patrolling contract (private sector)	2,387.00	2,387.00	Y	477.40	2,864.40	0.00%	0.00	Cooperatives & Neighbourhoods
EMERGENCY BOARDING SERVICES								Cooperatives & Neighbourhoods
• Call out (free when paying for Patrolling Services) (per hour/part thereof)	105.00	105.00	Y	21.00	126.00	0.00%	0.00	Cooperatives & Neighbourhoods
WINDOW BOARDING								Cooperatives & Neighbourhoods
• Standard window	47.00	47.00	Y	9.40	56.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Large window	105.00	105.00	Y	21.00	126.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Steel sheeting (per sheet)	89.00	89.00	Y	17.80	106.80	0.00%	0.00	Cooperatives & Neighbourhoods
DOOR BOARDING								Cooperatives & Neighbourhoods
• Wooden cover	57.00	57.00	Y	11.40	68.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Steel door (rental per week)	27.00	27.00	Y	5.40	32.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Boarded Up Property Inspection (free when paying for patrolling services) (per weekly inspection)	118.00	118.00	Y	23.60	141.60	0.00%	0.00	Cooperatives & Neighbourhoods
STATIC SECURITY GUARDING								Cooperatives & Neighbourhoods
SPOT HIRE (<7 DAYS) (PER HOURS)								Cooperatives & Neighbourhoods
• > 28 days notice; > 24 hours per operative	11.22	11.22	Y	2.24	13.46	0.00%	0.00	Cooperatives & Neighbourhoods
• > 28 days notice; 12-24 hours per operative	11.22	11.22	Y	2.24	13.46	0.00%	0.00	Cooperatives & Neighbourhoods
• > 28 days notice; 4-12 hours per operative	12.24	12.24	Y	2.45	14.69	0.00%	0.00	Cooperatives & Neighbourhoods
• > 28 days notice; 0-4 hours per operative	13.26	13.26	Y	2.65	15.91	0.00%	0.00	Cooperatives & Neighbourhoods
• 7-28 days notice; 24 hours per operative	11.22	11.22	Y	2.24	13.46	0.00%	0.00	Cooperatives & Neighbourhoods
• 7-28 days notice; 12-24 hours per operative	12.24	12.24	Y	2.45	14.69	0.00%	0.00	Cooperatives & Neighbourhoods
• 7-28 days notice; 4-12 hours per operative	13.26	13.26	Y	2.65	15.91	0.00%	0.00	Cooperatives & Neighbourhoods
• 7-28 days notice; 0-4 hours per operative	14.28	14.28	Y	2.86	17.14	0.00%	0.00	Cooperatives & Neighbourhoods
• 2-7 days notice; > 24 hours per operative	12.24	12.24	Y	2.45	14.69	0.00%	0.00	Cooperatives & Neighbourhoods
• 2-7 days notice; 12-24 hours per operative	13.26	13.26	Y	2.65	15.91	0.00%	0.00	Cooperatives & Neighbourhoods
• 2-7 days notice; 4-12 hours per operative	14.28	14.28	Y	2.86	17.14	0.00%	0.00	Cooperatives & Neighbourhoods
• 2-7 days notice; 0-4 hours per operative	16.32	16.32	Y	3.26	19.58	0.00%	0.00	Cooperatives & Neighbourhoods
• < 48 hours notice; > 24 hours per operative	13.26	13.26	Y	2.65	15.91	0.00%	0.00	Cooperatives & Neighbourhoods
• < 48 hours notice; 12-24 hours per operative	14.28	14.28	Y	2.86	17.14	0.00%	0.00	Cooperatives & Neighbourhoods
• < 48 hours notice; 4-12 hours per operative	16.32	16.32	Y	3.26	19.58	0.00%	0.00	Cooperatives & Neighbourhoods
• < 48 hours notice; 0-4 hours per operative	17.34	17.34	Y	3.47	20.81	0.00%	0.00	Cooperatives & Neighbourhoods

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CONTRACT HIRE (> 7 DAYS) (PER HOUR)								Cooperatives & Neighbourhoods
• > 366 days; 30-40 hours per week per operative	11.22	11.22	Y	2.24	13.46	0.00%	0.00	Cooperatives & Neighbourhoods
• > 366 days; 20-30 hours per week per operative	11.22	11.22	Y	2.24	13.46	0.00%	0.00	Cooperatives & Neighbourhoods
• > 366 days; 8-20 hours per week per operative	12.24	12.24	Y	2.45	14.69	0.00%	0.00	Cooperatives & Neighbourhoods
• > 366 days; 0-4 hours per week per operative	13.26	13.26	Y	2.65	15.91	0.00%	0.00	Cooperatives & Neighbourhoods
• 91-365 days; 30-40 hours per week per operative	11.22	11.22	Y	2.24	13.46	0.00%	0.00	Cooperatives & Neighbourhoods
• 91-365 days; 20-30 hours per week per operative	12.24	12.24	Y	2.45	14.69	0.00%	0.00	Cooperatives & Neighbourhoods
• 91-365 days; 8-20 hours per week per operative	13.26	13.26	Y	2.65	15.91	0.00%	0.00	Cooperatives & Neighbourhoods
• 91-365 days; 0-4 hours per week per operative	14.28	14.28	Y	2.86	17.14	0.00%	0.00	Cooperatives & Neighbourhoods
• 29-90 days; 30-40 hours per week per operative	12.24	12.24	Y	2.45	14.69	0.00%	0.00	Cooperatives & Neighbourhoods
• 29-90 days; 20-30 hours per week per operative	13.26	13.26	Y	2.65	15.91	0.00%	0.00	Cooperatives & Neighbourhoods
• 29-90 days; 8-20 hours per week per operative	14.28	14.28	Y	2.86	17.14	0.00%	0.00	Cooperatives & Neighbourhoods
• 39-90 days; 0-4 hours per week per operative	16.32	16.32	Y	3.26	19.58	0.00%	0.00	Cooperatives & Neighbourhoods
• 0-28 days; 30-40 hours per week per operative	13.26	13.26	Y	2.65	15.91	0.00%	0.00	Cooperatives & Neighbourhoods
• 0-28 days; 20-30 hours per week per operative	14.28	14.28	Y	2.86	17.14	0.00%	0.00	Cooperatives & Neighbourhoods
• 0-28 days; 8-20 hours per week per operative	16.32	16.32	Y	3.26	19.58	0.00%	0.00	Cooperatives & Neighbourhoods
• 0-28 days; 0-4 hours per week per operative	17.34	17.34	Y	3.47	20.81	0.00%	0.00	Cooperatives & Neighbourhoods
ADJUSTMENTS ON SPOT/CONTRACT HIRE								Cooperatives & Neighbourhoods
• Permanent Staff Allocation (contract hire per hour)	2.00	2.00	Y	0.40	2.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Permanent Staff Allocation (spot hire per hour)	7.10	7.10	Y	1.42	8.52	0.00%	0.00	Cooperatives & Neighbourhoods
VEHICLE HIRE								Cooperatives & Neighbourhoods
• Response Vehicle (per hour)	10.20	10.20	Y	2.04	12.24	0.00%	0.00	Cooperatives & Neighbourhoods
• Unmarked Vehicle (per hour)	5.10	5.10	Y	1.02	6.12	0.00%	0.00	Cooperatives & Neighbourhoods
• Mileage (per mile)	0.60	0.60	Y	0.12	0.72	0.00%	0.00	Cooperatives & Neighbourhoods
DEISTER POINTS								Cooperatives & Neighbourhoods
• Installation (per point)	36.70	36.70	Y	7.34	44.04	0.00%	0.00	Cooperatives & Neighbourhoods
• (Hire (per day)	0.30	0.30	Y	0.06	0.36	0.00%	0.00	Cooperatives & Neighbourhoods
• Attendance Reports (per report)	36.70	36.70	Y	7.34	44.04	0.00%	0.00	Cooperatives & Neighbourhoods
ANY OTHER ASSISTANCE								Cooperatives & Neighbourhoods
• Per Hour Per Operative	63.00	63.00	Y	12.60	75.60	0.00%	0.00	Cooperatives & Neighbourhoods
<u>CCTV AND RADIO COMMUNICATIONS SERVICES</u>								
CCTV SERVICES								Cooperatives & Neighbourhoods
ANNUAL REGISTRATION AND COMPLIANCE AUDIT								Cooperatives & Neighbourhoods
• Static Camera	11.00	11.00	Y	2.20	13.20	0.00%	0.00	Cooperatives & Neighbourhoods
• ANPR Camera	17.00	17.00	Y	3.40	20.40	0.00%	0.00	Cooperatives & Neighbourhoods
• PTZ Camera	30.00	30.00	Y	6.00	36.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Non public space per system	Variable	Variable			Variable	Variable	Variable	Cooperatives & Neighbourhoods

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ANNUAL MAINTENANCE FEE								Cooperatives & Neighbourhoods
• ANPR Camera	168.00	168.00	Y	33.60	201.60	0.00%	0.00	Cooperatives & Neighbourhoods
• Public Space Camera	673.00	673.00	Y	134.60	807.60	0.00%	0.00	Cooperatives & Neighbourhoods
• Non public space per system	Variable	Variable			Variable	Variable	Variable	Cooperatives & Neighbourhoods
PASSIVE MONITORING ON ACTIVATION PER SITE (SEE FEE FOR VISUAL VERIFICATION ABOVE)								Cooperatives & Neighbourhoods
• Active Live Monitoring Only – Public Space without telemetry (per camera per day) (including transmission fees)	1.20	1.20	Y	0.24	1.44	0.00%	0.00	Cooperatives & Neighbourhoods
• Active Live Monitoring Only – Public Space with telemetry (per camera per day) (including transmission fees)	3.10	3.10	Y	0.62	3.72	0.00%	0.00	Cooperatives & Neighbourhoods
• Active Live Monitoring and Recording – Public Space without telemetry (per camera per day) (including transmission fees)	3.30	3.30	Y	0.66	3.96	0.00%	0.00	Cooperatives & Neighbourhoods
• Active Live Monitoring and Recording – Public Space with telemetry (per camera per day) (including transmission fees)	9.10	9.10	Y	1.82	10.92	0.00%	0.00	Cooperatives & Neighbourhoods
• Automatic Number Plate Recognition Camera (per camera per day) (including transmission fees and connection to ANPR network) NOTE: The Service does not undertake active live monitoring on private space systems.	7.85	7.85	Y	1.57	9.42	0.00%	0.00	Cooperatives & Neighbourhoods
CCTV DEVELOPMENT SERVICES								
CCTV ADVICE AND CONSULTANCY (PER HOUR)								Cooperatives & Neighbourhoods
• Private Sector	62.00	62.00	Y	12.40	74.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Up to 4 Camera System (per camera)	1,566.00	1,566.00	Y	313.20	1,879.20	0.00%	0.00	Cooperatives & Neighbourhoods
• 5-8 Camera System	5,518.00	5,518.00	Y	1,103.60	6,621.60	0.00%	0.00	Cooperatives & Neighbourhoods
• 9-12 Camera System	7,727.00	7,727.00	Y	1,545.40	9,272.40	0.00%	0.00	Cooperatives & Neighbourhoods
• 13-19 Camera System	9,935.00	9,935.00	Y	1,987.00	11,922.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 20 or over Camera System	13,245.00	13,245.00	Y	2,649.00	15,894.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Non Public Space	Variable	Variable	Y	Variable	Variable	Variable	Variable	Cooperatives & Neighbourhoods
• Total Value of Installation	0.15	0.15	Y	0.03	0.18	0.00%	0.00	Cooperatives & Neighbourhoods
RADIO COMMUNICATIONS EQUIPMENT								Cooperatives & Neighbourhoods
• Radio Equipment Set up & Admin Fee	26.00	26.00	Y	5.20	31.20	0.00%	0.00	Cooperatives & Neighbourhoods
• Radio Equipment (airtime)	5.00	5.00	Y	1.00	6.00	0.00%	0.00	Cooperatives & Neighbourhoods
REMOTE SECURITY SERVICES								Cooperatives & Neighbourhoods
• Remote Operation of Traffic Control Barriers (per barrier)	4,080.00	4,080.00	Y	816.00	4,896.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Remote Operation of Visual Display Signage (including Snow Signs) (per sign)	1,734.00	1,734.00	Y	346.80	2,080.80	0.00%	0.00	Cooperatives & Neighbourhoods
CONCIERGE SERVICE (IMPLEMENTATION DATE TBC)								Cooperatives & Neighbourhoods
• Concierge Service per unit (Vetting by tenant)	191.00	191.00	Y	38.20	229.20	0.00%	0.00	Cooperatives & Neighbourhoods
• Concierge Service per unit (Vetting by Control Room)	383.00	383.00	Y	76.60	459.60	0.00%	0.00	Cooperatives & Neighbourhoods

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EMERGENCY CONTROL CENTRE								Cooperatives & Neighbourhoods
• Provision of Emergency Control Centre, Emergency Response and Command Rooms (per year)	7,691.00	7,691.00	Y	1,538.20	9,229.20	0.00%	0.00	Cooperatives & Neighbourhoods
MARKETS								
MARKET HALL – TOMMYFIELD								Economy & Skills
• Standard Unit per month	346.67	346.67	Y	69.33	416.00	0.00%	0.00	Economy & Skills
• Corner Unit per month	414.17	414.17	Y	82.83	497.00	0.00%	0.00	Economy & Skills
• Prime Unit per month	516.67	516.67	Y	103.33	620.00	0.00%	0.00	Economy & Skills
SUCCESSION OF TENANCY FEES								Economy & Skills
• Trader Insurance Admin Charge	8.34	8.34	Y	1.67	10.01	0.00%	0.00	Economy & Skills
LATE PAYMENT FEES								Economy & Skills
• After sending out the second letter in the agreed Market Arrears Procedure, there will be a charge for the third letter	12.50	12.50	N	0.00	12.50	0.00%	0.00	Economy & Skills
• Display Area – Tommyfield per day	16.67	16.67	Y	3.33	20.00	0.00%	0.00	Economy & Skills
BRICK UNITS – TOMMYFIELD								Economy & Skills
• Standard Unit per month	289.17	289.17	Y	57.83	347.00	0.00%	0.00	Economy & Skills
• Other per month	361.67	361.67	Y	72.33	434.00	0.00%	0.00	Economy & Skills
PERIMETER UNITS – TOMMYFIELD								Economy & Skills
• Standard Unit per month	225.00	225.00	Y	45.00	270.00	0.00%	0.00	Economy & Skills
• Storage per month	70.83	70.83	Y	14.17	85.00	0.00%	0.00	Economy & Skills
SUNDAY CAR BOOT								Economy & Skills
• Stall or Vehicle	12.08	12.08	Y	2.42	14.50	0.00%	0.00	Economy & Skills
PARKING PERMITS								Economy & Skills
• 12 Months	165.25	165.25	Y	33.05	198.30	0.00%	0.00	Economy & Skills
• 6 Months	91.81	91.81	Y	18.36	110.17	0.00%	0.00	Economy & Skills
PARKING PERMITS 2ND PASS								Economy & Skills
• 12 Months	59.68	59.68	Y	11.94	71.62	0.00%	0.00	Economy & Skills
• 6 Months	35.80	35.80	Y	7.16	42.96	0.00%	0.00	Economy & Skills
• 3 Months	23.87	23.87	Y	4.77	28.64	0.00%	0.00	Economy & Skills
LOST DELIVERY PASS								Economy & Skills
• Replacement	17.60	17.60	N	0.00	17.60	0.00%	0.00	Economy & Skills

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ROYTON MARKET								Economy & Skills
LICENSED TRADER								Economy & Skills
• Stall x 1	17.92	17.92	Y	3.58	21.50	0.00%	0.00	Economy & Skills
• Stall x 2	35.83	35.83	Y	7.17	43.00	0.00%	0.00	Economy & Skills
• Stall x 3	53.75	53.75	Y	10.75	64.50	0.00%	0.00	Economy & Skills
• Pitch: 12' x 10'	16.17	16.17	Y	3.23	19.40	0.00%	0.00	Economy & Skills
• Pitch: 18' x 10'	24.25	24.25	Y	4.85	29.10	0.00%	0.00	Economy & Skills
• Pitch: 24' x 10'	32.33	32.33	Y	6.47	38.80	0.00%	0.00	Economy & Skills
CASUAL TRADER								Economy & Skills
• Stall x 1	21.33	21.33	Y	4.27	25.60	0.00%	0.00	Economy & Skills
• Stall x 2	42.67	42.67	Y	8.53	51.20	0.00%	0.00	Economy & Skills
• Stall x 3	64.00	64.00	Y	12.80	76.80	0.00%	0.00	Economy & Skills
• Pitch: 12' x 10'	19.17	19.17	Y	3.83	23.00	0.00%	0.00	Economy & Skills
• Pitch: 18' x 10'	28.75	28.75	Y	5.75	34.50	0.00%	0.00	Economy & Skills
• Pitch: 24' x 10'	38.33	38.33	Y	7.67	46.00	0.00%	0.00	Economy & Skills
• Pitch: 30' x 10'	47.92	47.92	Y	9.58	57.50	0.00%	0.00	Economy & Skills
• Royton special 15 x 10	24.17	24.17	Y	4.83	29.00	0.00%	0.00	Economy & Skills
TOMMYFIELD - MONDAY								Economy & Skills
LICENSED TRADER								Economy & Skills
• Stall x 1	8.58	8.58	Y	1.72	10.30	0.00%	0.00	Economy & Skills
• Stall x 2	17.17	17.17	Y	3.43	20.60	0.00%	0.00	Economy & Skills
• Stall x 3	25.75	25.75	Y	5.15	30.90	0.00%	0.00	Economy & Skills
• Stall x 4	34.33	34.33	Y	6.87	41.20	0.00%	0.00	Economy & Skills
• Stall x 5	42.92	42.92	Y	8.58	51.50	0.00%	0.00	Economy & Skills
• Stall x 6	51.50	51.50	Y	10.30	61.80	0.00%	0.00	Economy & Skills
• Pitch: 12' x 12'	6.42	6.42	Y	1.28	7.70	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	9.67	9.67	Y	1.93	11.60	0.00%	0.00	Economy & Skills
• Pitch: 24' x 12'	12.83	12.83	Y	2.57	15.40	0.00%	0.00	Economy & Skills
• Pitch: 30' x 12'	16.08	16.08	Y	3.22	19.30	0.00%	0.00	Economy & Skills
• Pitch: 36' x 12'	19.25	19.25	Y	3.85	23.10	0.00%	0.00	Economy & Skills
• Pitch: 42' x 12'	22.50	22.50	Y	4.50	27.00	0.00%	0.00	Economy & Skills
• Pitch: 48' x 12'	25.67	25.67	Y	5.13	30.80	0.00%	0.00	Economy & Skills
CASUAL TRADER								Economy & Skills
• Stall x 1	10.25	10.25	Y	2.05	12.30	0.00%	0.00	Economy & Skills
• Stall x 2	20.50	20.50	Y	4.10	24.60	0.00%	0.00	Economy & Skills
• Stall x 3	30.75	30.75	Y	6.15	36.90	0.00%	0.00	Economy & Skills
• Stall x 4	41.00	41.00	Y	8.20	49.20	0.00%	0.00	Economy & Skills
• Stall x 5	51.25	51.25	Y	10.25	61.50	0.00%	0.00	Economy & Skills
• Stall x 6	61.50	61.50	Y	12.30	73.80	0.00%	0.00	Economy & Skills
• Stall x 7	71.75	71.75	Y	14.35	86.10	0.00%	0.00	Economy & Skills
• Stall x 8	82.00	82.00	Y	16.40	98.40	0.00%	0.00	Economy & Skills
• Pitch: 12' x 12'	7.67	7.67	Y	1.53	9.20	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	11.25	11.25	Y	2.25	13.50	0.00%	0.00	Economy & Skills

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• Pitch: 24' x 12'	15.33	15.33	Y	3.07	18.40	0.00%	0.00	Economy & Skills
• Pitch: 30' x 12'	18.92	18.92	Y	3.78	22.70	0.00%	0.00	Economy & Skills
• Pitch: 36' x 12'	23.00	23.00	Y	4.60	27.60	0.00%	0.00	Economy & Skills
• Pitch: 42' x 12'	26.58	26.58	Y	5.32	31.90	0.00%	0.00	Economy & Skills
• Pitch: 48' x 12'	30.67	30.67	Y	6.13	36.80	0.00%	0.00	Economy & Skills
TOMMYFIELD - MONDAY SPECIAL LOCAL DISCOUNTS								
• Stall x 1	8.58	8.58	Y	1.72	10.30	0.00%	0.00	Economy & Skills
• Stall x 2	13.25	13.25	Y	2.65	15.90	0.00%	0.00	Economy & Skills
• Stall x 3	17.08	17.08	Y	3.42	20.50	0.00%	0.00	Economy & Skills
• Stall x 4	18.75	18.75	Y	3.75	22.50	0.00%	0.00	Economy & Skills
• Stall x 5	22.58	22.58	Y	4.52	27.10	0.00%	0.00	Economy & Skills
• Stall x 6	25.00	25.00	Y	5.00	30.00	0.00%	0.00	Economy & Skills
• Pitch: 12' x 12'	6.42	6.42	Y	1.28	7.70	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	8.50	8.50	Y	1.70	10.20	0.00%	0.00	Economy & Skills
• Pitch: 24' x 12'	10.67	10.67	Y	2.13	12.80	0.00%	0.00	Economy & Skills
TOMMYFIELD - WEDNESDAY LICENSED TRADER								
• Stall x 1	17.08	17.08	Y	3.42	20.50	0.00%	0.00	Economy & Skills
• Stall x 2	34.17	34.17	Y	6.83	41.00	0.00%	0.00	Economy & Skills
• Stall x 3	51.25	51.25	Y	10.25	61.50	0.00%	0.00	Economy & Skills
• Stall x 4	68.33	68.33	Y	13.67	82.00	0.00%	0.00	Economy & Skills
• Stall x 5	85.42	85.42	Y	17.08	102.50	0.00%	0.00	Economy & Skills
• Stall x 6	102.50	102.50	Y	20.50	123.00	0.00%	0.00	Economy & Skills
• Stall x 7	119.58	119.58	Y	23.92	143.50	0.00%	0.00	Economy & Skills
• Stall x 8	136.67	136.67	Y	27.33	164.00	0.00%	0.00	Economy & Skills
• Pitch: 12' x 12'	17.17	17.17	Y	3.43	20.60	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	25.75	25.75	Y	5.15	30.90	0.00%	0.00	Economy & Skills
• Pitch: 24' x 12'	34.33	34.33	Y	6.87	41.20	0.00%	0.00	Economy & Skills
• Pitch: 30' x 12'	42.92	42.92	Y	8.58	51.50	0.00%	0.00	Economy & Skills
• Pitch: 36' x 12'	51.50	51.50	Y	10.30	61.80	0.00%	0.00	Economy & Skills
• Pitch: 42' x 12'	60.08	60.08	Y	12.02	72.10	0.00%	0.00	Economy & Skills
• Pitch: 48' x 12'	68.67	68.67	Y	13.73	82.40	0.00%	0.00	Economy & Skills
CASUAL TRADER								
• Stall x 1	18.33	18.33	Y	3.67	22.00	0.00%	0.00	Economy & Skills
• Stall x 2	36.67	36.67	Y	7.33	44.00	0.00%	0.00	Economy & Skills
• Stall x 3	55.00	55.00	Y	11.00	66.00	0.00%	0.00	Economy & Skills
• Stall x 4	73.33	73.33	Y	14.67	88.00	0.00%	0.00	Economy & Skills
• Stall x 5	91.67	91.67	Y	18.33	110.00	0.00%	0.00	Economy & Skills
• Stall x 6	110.00	110.00	Y	22.00	132.00	0.00%	0.00	Economy & Skills
• Stall x 7	128.33	128.33	Y	25.67	154.00	0.00%	0.00	Economy & Skills
• Stall x 8	146.67	146.67	Y	29.33	176.00	0.00%	0.00	Economy & Skills
• Pitch: 12' x 12'	18.75	18.75	Y	3.75	22.50	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	28.08	28.08	Y	5.62	33.70	0.00%	0.00	Economy & Skills

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• Pitch: 24' x 12'	37.50	37.50	Y	7.50	45.00	0.00%	0.00	Economy & Skills
• Pitch: 30' x 12'	46.83	46.83	Y	9.37	56.20	0.00%	0.00	Economy & Skills
• Pitch: 36' x 12'	56.25	56.25	Y	11.25	67.50	0.00%	0.00	Economy & Skills
• Pitch: 42' x 12'	65.58	65.58	Y	13.12	78.70	0.00%	0.00	Economy & Skills
• Pitch: 48' x 12'	75.00	75.00	Y	15.00	90.00	0.00%	0.00	Economy & Skills
TOMMYFIELD - WEDNESDAY SPECIAL LOCAL DISCOUNTS								
• Stall x 1	17.08	17.08	Y	3.42	20.50	0.00%	0.00	Economy & Skills
• Stall x 2	25.58	25.58	Y	5.12	30.70	0.00%	0.00	Economy & Skills
• Stall x 3	34.00	34.00	Y	6.80	40.80	0.00%	0.00	Economy & Skills
• Stall x 4	38.25	38.25	Y	7.65	45.90	0.00%	0.00	Economy & Skills
• Stall x 5	42.50	42.50	Y	8.50	51.00	0.00%	0.00	Economy & Skills
• Stall x 6	46.83	46.83	Y	9.37	56.20	0.00%	0.00	Economy & Skills
• Pitch: 12' x 12'	13.67	13.67	Y	2.73	16.40	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	18.33	18.33	Y	3.67	22.00	0.00%	0.00	Economy & Skills
• Pitch: 24' x 12'	23.00	23.00	Y	4.60	27.60	0.00%	0.00	Economy & Skills
• Pitch: 30' x 12'	27.67	27.67	Y	5.53	33.20	0.00%	0.00	Economy & Skills
• Pitch: 36' x 12'	32.33	32.33	Y	6.47	38.80	0.00%	0.00	Economy & Skills
• Pitch: 42' x 12'	37.00	37.00	Y	7.40	44.40	0.00%	0.00	Economy & Skills
• Pitch: 48' x 12'	41.67	41.67	Y	8.33	50.00	0.00%	0.00	Economy & Skills
TOMMYFIELD – FRIDAY LICENSED TRADER								
• Stall x 1	11.08	11.08	Y	2.22	13.30	0.00%	0.00	Economy & Skills
• Stall x 2	22.17	22.17	Y	4.43	26.60	0.00%	0.00	Economy & Skills
• Stall x 3	33.25	33.25	Y	6.65	39.90	0.00%	0.00	Economy & Skills
• Stall x 4	44.33	44.33	Y	8.87	53.20	0.00%	0.00	Economy & Skills
• Stall x 5	47.08	47.08	Y	9.42	56.50	0.00%	0.00	Economy & Skills
• Stall x 6	66.50	66.50	Y	13.30	79.80	0.00%	0.00	Economy & Skills
• Stall x 7	77.58	77.58	Y	15.52	93.10	0.00%	0.00	Economy & Skills
• Stall x 8	88.67	88.67	Y	17.73	106.40	0.00%	0.00	Economy & Skills
• Pitch: 12' x 12'	7.33	7.33	Y	1.47	8.80	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	11.00	11.00	Y	2.20	13.20	0.00%	0.00	Economy & Skills
• Pitch: 24' x 12'	14.67	14.67	Y	2.93	17.60	0.00%	0.00	Economy & Skills
• Pitch: 30' x 12'	18.33	18.33	Y	3.67	22.00	0.00%	0.00	Economy & Skills
• Pitch: 36' x 12'	22.00	22.00	Y	4.40	26.40	0.00%	0.00	Economy & Skills
• Pitch: 42' x 12'	25.67	25.67	Y	5.13	30.80	0.00%	0.00	Economy & Skills
• Pitch: 48' x 12'	29.33	29.33	Y	5.87	35.20	0.00%	0.00	Economy & Skills
CASUAL TRADER								
• Stall x 1	12.75	12.75	Y	2.55	15.30	0.00%	0.00	Economy & Skills
• Stall x 2	25.50	25.50	Y	5.10	30.60	0.00%	0.00	Economy & Skills
• Stall x 3	38.25	38.25	Y	7.65	45.90	0.00%	0.00	Economy & Skills
• Stall x 4	51.00	51.00	Y	10.20	61.20	0.00%	0.00	Economy & Skills

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• Pitch: 12' x 12'	15.42	15.42	Y	3.08	18.50	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	20.50	20.50	Y	4.10	24.60	0.00%	0.00	Economy & Skills
• Pitch: 24' x 12'	25.67	25.67	Y	5.13	30.80	0.00%	0.00	Economy & Skills
• Pitch: 30' x 12'	10.42	10.42	Y	2.08	12.50	0.00%	0.00	Economy & Skills
TOMMYFIELD – FRIDAY SPECIAL LOCAL DISCOUNTS								
• Stall x 1	4.17	4.17	Y	0.83	5.00	0.00%	0.00	Economy & Skills
• Stall x 2	8.33	8.33	Y	1.67	10.00	0.00%	0.00	Economy & Skills
• Stall x 3	12.50	12.50	Y	2.50	15.00	0.00%	0.00	Economy & Skills
• Stall x 4	16.67	16.67	Y	3.33	20.00	0.00%	0.00	Economy & Skills
• Stall x 5	20.83	20.83	Y	4.17	25.00	0.00%	0.00	Economy & Skills
• Stall x 6	25.00	25.00	Y	5.00	30.00	0.00%	0.00	Economy & Skills
• Stall x 7	29.17	29.17	Y	5.83	35.00	0.00%	0.00	Economy & Skills
• Stall x 8	33.33	33.33	Y	6.67	40.00	0.00%	0.00	Economy & Skills
• Pitch: 12' x 12'	4.17	4.17	Y	0.83	5.00	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	6.25	6.25	Y	1.25	7.50	0.00%	0.00	Economy & Skills
• Pitch: 24' x 12'	8.33	8.33	Y	1.67	10.00	0.00%	0.00	Economy & Skills
• Pitch: 30' x 12'	10.42	10.42	Y	2.08	12.50	0.00%	0.00	Economy & Skills
• Pitch: 36' x 12'	12.50	12.50	Y	2.50	15.00	0.00%	0.00	Economy & Skills
• Pitch: 42' x 12'	14.58	14.58	Y	2.92	17.50	0.00%	0.00	Economy & Skills
• Pitch: 48' x 12'	16.67	16.67	Y	3.33	20.00	0.00%	0.00	Economy & Skills
CASUAL TRADER								
• Stall x 1	4.17	4.17	Y	0.83	5.00	0.00%	0.00	Economy & Skills
• Stall x 2	8.33	8.33	Y	1.67	10.00	0.00%	0.00	Economy & Skills
• Stall x 3	12.50	12.50	Y	2.50	15.00	0.00%	0.00	Economy & Skills
• Stall x 4	16.67	16.67	Y	3.33	20.00	0.00%	0.00	Economy & Skills
• Stall x 5	20.83	20.83	Y	4.17	25.00	0.00%	0.00	Economy & Skills
• Stall x 6	25.00	25.00	Y	5.00	30.00	0.00%	0.00	Economy & Skills
• Stall x 7	29.17	29.17	Y	5.83	35.00	0.00%	0.00	Economy & Skills
• Stall x 8	33.33	33.33	Y	6.67	40.00	0.00%	0.00	Economy & Skills
• Pitch: 12' x 12'	4.17	4.17	Y	0.83	5.00	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	6.25	6.25	Y	1.25	7.50	0.00%	0.00	Economy & Skills
• Pitch: 24' x 12'	8.33	8.33	Y	1.67	10.00	0.00%	0.00	Economy & Skills
• Pitch: 30' x 12'	10.42	10.42	Y	2.08	12.50	0.00%	0.00	Economy & Skills
• Pitch: 36' x 12'	12.50	12.50	Y	2.50	15.00	0.00%	0.00	Economy & Skills
• Pitch: 42' x 12'	14.58	14.58	Y	2.92	17.50	0.00%	0.00	Economy & Skills
• Pitch: 48' x 12'	16.67	16.67	Y	3.33	20.00	0.00%	0.00	Economy & Skills
TOMMYFIELD – SATURDAY LICENSED TRADER								
• Stall x 1	17.08	17.08	Y	3.42	20.50	0.00%	0.00	Economy & Skills
• Stall x 2	34.17	34.17	Y	6.83	41.00	0.00%	0.00	Economy & Skills
• Stall x 3	51.25	51.25	Y	10.25	61.50	0.00%	0.00	Economy & Skills
• Stall x 4	68.33	68.33	Y	13.67	82.00	0.00%	0.00	Economy & Skills
• Stall x 5	85.42	85.42	Y	17.08	102.50	0.00%	0.00	Economy & Skills

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• Stall x 6	102.50	102.50	Y	20.50	123.00	0.00%	0.00	Economy & Skills
• Stall x 7	119.58	119.58	Y	23.92	143.50	0.00%	0.00	Economy & Skills
• Stall x 8	136.67	136.67	Y	27.33	164.00	0.00%	0.00	Economy & Skills
• Pitch: 12' x 12'	13.67	13.67	Y	2.73	16.40	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	20.50	20.50	Y	4.10	24.60	0.00%	0.00	Economy & Skills
• Pitch: 24' x 12'	27.33	27.33	Y	5.47	32.80	0.00%	0.00	Economy & Skills
• Pitch: 30' x 12'	34.17	34.17	Y	6.83	41.00	0.00%	0.00	Economy & Skills
• Pitch: 36' x 12'	41.00	41.00	Y	8.20	49.20	0.00%	0.00	Economy & Skills
• Pitch: 42' x 12'	47.83	47.83	Y	9.57	57.40	0.00%	0.00	Economy & Skills
• Pitch: 48' x 12'	54.67	54.67	Y	10.93	65.60	0.00%	0.00	Economy & Skills
CASUAL TRADER								Economy & Skills
• Stall x 1	20.00	20.00	Y	4.00	24.00	0.00%	0.00	Economy & Skills
• Stall x 2	40.00	40.00	Y	8.00	48.00	0.00%	0.00	Economy & Skills
• Stall x 3	60.00	60.00	Y	12.00	72.00	0.00%	0.00	Economy & Skills
• Stall x 4	80.00	80.00	Y	16.00	96.00	0.00%	0.00	Economy & Skills
• Stall x 5	100.00	100.00	Y	20.00	120.00	0.00%	0.00	Economy & Skills
• Stall x 6	120.00	120.00	Y	24.00	144.00	0.00%	0.00	Economy & Skills
• Stall x 7	140.00	140.00	Y	28.00	168.00	0.00%	0.00	Economy & Skills
• Stall x 8	160.00	160.00	Y	32.00	192.00	0.00%	0.00	Economy & Skills
• Pitch: 12' x 12'	17.08	17.08	Y	3.42	20.50	0.00%	0.00	Economy & Skills
• Pitch: 18' x 12'	25.58	25.58	Y	5.12	30.70	0.00%	0.00	Economy & Skills
• Pitch: 24' x 12'	34.08	34.08	Y	6.82	40.90	0.00%	0.00	Economy & Skills
• Pitch: 30 x 12'	42.58	42.58	Y	8.52	51.10	0.00%	0.00	Economy & Skills
• Pitch: 36' x 12'	51.08	51.08	Y	10.22	61.30	0.00%	0.00	Economy & Skills
• Pitch: 42' x 12'	59.58	59.58	Y	11.92	71.50	0.00%	0.00	Economy & Skills
• Pitch: 48' x 12'	68.08	68.08	Y	13.62	81.70	0.00%	0.00	Economy & Skills
• Storage Boxes (Tommyfield) per week	9.42	9.42	Y	1.88	11.30	0.00%	0.00	Economy & Skills
ALL OUTDOOR MARKETS								Economy & Skills
TOMMYFIELD - STREET MARKET								Economy & Skills
LICENSED TRADER 1 DAY FRIDAY OR SATURDAY								Economy & Skills
• Gazebo 2.5 Metre by 2.5 Metre	15.00	15.00	N	0.00	15.00	0.00%	0.00	Economy & Skills
• Gazebo 5 Metre by 2.5 Metre	23.00	23.00	N	0.00	23.00	0.00%	0.00	Economy & Skills
• Gazebo 3 Metre by 3 Metre	21.40	21.40	N	0.00	21.40	0.00%	0.00	Economy & Skills
• Gazebo 6 Metre by 3 Metre	34.20	34.20	N	0.00	34.20	0.00%	0.00	Economy & Skills
CASUAL TRADER 1 DAY FRIDAY OR SATURDAY								Economy & Skills
• Gazebo 2.5 Metre by 2.5 Metre	16.00	16.00	N	0.00	16.00	0.00%	0.00	Economy & Skills
• Gazebo 5 Metre by 2.5 Metre	27.30	27.30	N	0.00	27.30	0.00%	0.00	Economy & Skills
• Gazebo 3 Metre by 3 Metre	25.70	25.70	N	0.00	25.70	0.00%	0.00	Economy & Skills
• Gazebo 6 Metre by 3 Metre	38.40	38.40	N	0.00	38.40	0.00%	0.00	Economy & Skills

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LICENSED TRADER 2 DAY FRIDAY AND SATURDAY								Economy & Skills
• Gazebo 2.5 Metre by 2.5 Metre	28.00	28.00	N	0.00	28.00	0.00%	0.00	Economy & Skills
• Gazebo 5 Metre by 2.5 Metre	38.00	38.00	N	0.00	38.00	0.00%	0.00	Economy & Skills
• Gazebo 3 Metre by 3 Metre	35.00	35.00	N	0.00	35.00	0.00%	0.00	Economy & Skills
• Gazebo 6 Metre by 3 Metre	55.00	55.00	N	0.00	55.00	0.00%	0.00	Economy & Skills
CASUAL TRADER 2 DAY FRIDAY AND SATURDAY								Economy & Skills
• Gazebo 2.5 Metre by 2.5 Metre	29.00	29.00	N	0.00	29.00	0.00%	0.00	Economy & Skills
• Gazebo 5 Metre by 2.5 Metre	47.00	47.00	N	0.00	47.00	0.00%	0.00	Economy & Skills
• Gazebo 3 Metre by 3 Metre	43.00	43.00	N	0.00	43.00	0.00%	0.00	Economy & Skills
• Gazebo 6 Metre by 3 Metre	64.00	64.00	N	0.00	64.00	0.00%	0.00	Economy & Skills
DISCOUNTED AREAS 1 DAY FRIDAY OR SATURDAY								Economy & Skills
• Gazebo 2.5 Metre by 2.5 Metre	13.00	13.00	N	0.00	13.00	0.00%	0.00	Economy & Skills
• Gazebo 5 Metre by 2.5 Metre	20.00	20.00	N	0.00	20.00	0.00%	0.00	Economy & Skills
• Gazebo 3 Metre by 3 Metre	18.00	18.00	N	0.00	18.00	0.00%	0.00	Economy & Skills
• Gazebo 6 Metre by 3 Metre	28.00	28.00	N	0.00	28.00	0.00%	0.00	Economy & Skills
DISCOUNTED AREAS 2 DAYS FRIDAY AND SATURDAY								Economy & Skills
• Gazebo 2.5 Metre by 2.5 Metre	25.00	25.00	N	0.00	25.00	0.00%	0.00	Economy & Skills
• Gazebo 5 Metre by 2.5 Metre	35.00	35.00	N	0.00	35.00	0.00%	0.00	Economy & Skills
• Gazebo 3 Metre by 3 Metre	32.00	32.00	N	0.00	32.00	0.00%	0.00	Economy & Skills
• Gazebo 6 Metre by 3 Metre	50.00	50.00	N	0.00	50.00	0.00%	0.00	Economy & Skills
SPECIAL MARKETS (PRICES ARE SET LOCALLY AND ARE SUBJECT TO CHANGE BY THE MARKET MANAGER)								Economy & Skills
• Sunday Lazy Car Boot (Promotional Prices)	14.50	14.50	N	0.00	14.50	0.00%	0.00	Economy & Skills
• Sunday Royton Real Food (Promotional Prices)	15.00	15.00	N	0.00	15.00	0.00%	0.00	Economy & Skills
• Chand Raat (Promotional Prices)	20.00	20.00	N	0.00	20.00	0.00%	0.00	Economy & Skills
• New Special Market (Promotional Prices)	10.00	10.00	N	0.00	10.00	0.00%	0.00	Economy & Skills
LEGAL CHARGES								Economy & Skills
CHANGE OF OWNERSHIP - NEW BUSINESS								Economy & Skills
• Administration Fee	250.00	250.00	N	0.00	250.00	0.00%	0.00	Economy & Skills
• Legal Fee	66.00	66.00	N	0.00	66.00	0.00%	0.00	Economy & Skills
Trader Long term yearly parking fee								Economy & Skills
• 12 Month one off fee	400.00	400.00	N	0.00	400.00	0.00%	0.00	Economy & Skills
Trader Toilet Card								Economy & Skills
• Lost Card Replacement	6.00	6.00	N	0.00	6.00	0.00%	0.00	Economy & Skills

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ASSET MANAGEMENT								
BUSINESS CENTRES / INDUSTRIAL UNITS								
• Falcon - Short Term Licences	Various	Various	Y	0.00	Various	0.00%	0.00	Economy & Skills
• Acorn - Short Term Licences	Various	Various	Y	0.00	Various	0.00%	0.00	Economy & Skills
OFFICE / ROOM LETTINGS								
HONEYWELL CENTRE - COMMERCIAL RATES PER HOUR								
• Hall	38.50	38.50	N	0.00	38.50	0.00%	0.00	Economy & Skills
• Youth Wing	33.00	33.00	N	0.00	33.00	0.00%	0.00	Economy & Skills
• Community Room 1	22.00	22.00	N	0.00	22.00	0.00%	0.00	Economy & Skills
• Community Room 2	22.00	22.00	N	0.00	22.00	0.00%	0.00	Economy & Skills
• IT Suite	28.00	28.00	N	0.00	28.00	0.00%	0.00	Economy & Skills
• Studio 2	33.00	33.00	N	0.00	33.00	0.00%	0.00	Economy & Skills
• Fitness/Dance Studio	10.00	10.00	N	0.00	10.00	0.00%	0.00	Economy & Skills
Discounts on the above charges will be applied for community and voluntary groups								
LIBRARIES, LEISURE AND CULTURE								
LIBRARY CARD								
• Adults	2.00	2.00	N	0.00	2.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Concession	1.00	1.00	N	0.00	1.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Book Reservations	0.60	0.60	N	0.00	0.60	0.00%	0.00	Cooperatives & Neighbourhoods
• Inter Library Reservations	3.40	3.40	N	0.00	3.40	0.00%	0.00	Cooperatives & Neighbourhoods
• Photocopying	0.10 to 2.14	0.10 to 2.14	N	0.00	0.10 to 2.14	0.00%	0.00	Cooperatives & Neighbourhoods
• Printing	0.10 to 0.62	0.10 to 0.62	N	0.00	0.10 to 0.62	0.00%	0.00	Cooperatives & Neighbourhoods
PHOTOCOPYING AND PRINTING								
• A4 B&W	0.10	0.10	N	0.00	0.10	0.00%	0.00	Cooperatives & Neighbourhoods
• A4 Colour	0.60	0.60	N	0.00	0.60	0.00%	0.00	Cooperatives & Neighbourhoods
• A3 B&W	0.20	0.20	N	0.00	0.20	0.00%	0.00	Cooperatives & Neighbourhoods
• A3 Colour	1.00	1.00	N	0.00	1.00	0.00%	0.00	Cooperatives & Neighbourhoods
FAX								
• Send - All £1.00 first sheet, 0.50p per subsequent sheet	1.00	1.00	N	0.00	1.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Receive - All	1.00	1.00	N	0.00	1.00	0.00%	0.00	Cooperatives & Neighbourhoods
GALLERY OLDHAM ROOM HIRE								
• Education Suite Per hour	20.00	20.00	N	0.00	20.00	0.00%	0.00	Cooperatives & Neighbourhoods
	Price on	Price on			Price on			
• Education Suite - Out of Hours	Arrangement	Arrangement			Arrangement	Variable	Variable	Cooperatives & Neighbourhoods
• Gallery Per Hour	29.80 - 109.20	29.80 - 109.20	N	0.00	29.80 - 109.20	0.00%	0.00	Cooperatives & Neighbourhoods
	Price on	Price on			Price on			
• All Gallery	Arrangement	Arrangement	N	0.00	Arrangement	Variable	Variable	Cooperatives & Neighbourhoods

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BOOK FINES								Cooperatives & Neighbourhoods
• Adults per book per day	0.15	0.15	N	0.00	0.15	0.00%	0.00	Cooperatives & Neighbourhoods
• Teens per book per day	0.05	0.05	N	0.00	0.05	0.00%	0.00	Cooperatives & Neighbourhoods
• Over 60's	0.05	0.05	N	0.00	0.05	0.00%	0.00	Cooperatives & Neighbourhoods
OTHER FINES								Cooperatives & Neighbourhoods
• DVDs per week	1.84	1.84	N	0.00	1.84	0.00%	0.00	Cooperatives & Neighbourhoods
• CD ROMS per week	2.86	2.86	N	0.00	2.86	0.00%	0.00	Cooperatives & Neighbourhoods
ACTING & DEVISING WORKSHOP								Cooperatives & Neighbourhoods
• In Oldham	52.02	52.20	N	0.00	52.20	0.35%	0.18	Cooperatives & Neighbourhoods
• In Oldham on benefit	28.09	28.09	N	0.00	28.09	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham	67.63	67.63	N	0.00	67.63	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham on benefit	36.41	36.41	N	0.00	36.41	0.00%	0.00	Cooperatives & Neighbourhoods
CREATE A PERFORMANCE								Cooperatives & Neighbourhoods
• In Oldham	65.55	65.55	N	0.00	65.55	0.00%	0.00	Cooperatives & Neighbourhoods
• In Oldham on benefit	33.29	33.29	N	0.00	33.29	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham	83.23	83.23	N	0.00	83.23	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham on benefit	44.74	44.74	N	0.00	44.74	0.00%	0.00	Cooperatives & Neighbourhoods
IMAGINEERS								Cooperatives & Neighbourhoods
• In Oldham	45.78	45.78	N	0.00	45.78	0.00%	0.00	Cooperatives & Neighbourhoods
• In Oldham on benefit	23.93	23.93	N	0.00	23.93	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham	60.34	60.34	N	0.00	60.34	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham on benefit	30.17	30.17	N	0.00	30.17	0.00%	0.00	Cooperatives & Neighbourhoods
SHOW (SUMMER AND CHRISTMAS)				0.00				Cooperatives & Neighbourhoods
• In Oldham	100.92	100.92	N	0.00	100.92	0.00%	0.00	Cooperatives & Neighbourhoods
• In Oldham on benefit	49.94	49.94	N	0.00	49.94	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham	116.52	116.52	N	0.00	116.52	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham on benefit	58.26	58.26	N	0.00	58.26	0.00%	0.00	Cooperatives & Neighbourhoods
SHOW (SUMMER SMALLER SHOW)				0.00				Cooperatives & Neighbourhoods
• In Oldham	79.56	79.56	N	0.00	79.56	0.00%	0.00	Cooperatives & Neighbourhoods
• In Oldham on benefit	40.80	40.80	N	0.00	40.80	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham	91.80	91.80	N	0.00	91.80	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham on benefit	47.94	47.94	N	0.00	47.94	0.00%	0.00	Cooperatives & Neighbourhoods
• Summer Holiday Show in a Week one price for all	53.06	53.06	N	0.00	53.06	0.00%	0.00	Cooperatives & Neighbourhoods
• Actors House - Once a year one price for all	21.85	21.85	N	0.00	21.85	0.00%	0.00	Cooperatives & Neighbourhoods

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SHOW TICKET PRICE				0.00				Cooperatives & Neighbourhoods
• In Oldham	9.36	9.36	N	0.00	9.36	0.00%	0.00	Cooperatives & Neighbourhoods
• In Oldham on benefit	6.24	6.24	N	0.00	6.24	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham	6.24	6.24	N	0.00	6.24	0.00%	0.00	Cooperatives & Neighbourhoods
• Outside Oldham on benefit	3.12	3.12	N	0.00	3.12	0.00%	0.00	Cooperatives & Neighbourhoods
• Show backs at internal OTW studio Venue	1.00	1.00	N	0.00	1.00	0.00%	0.00	Cooperatives & Neighbourhoods
LOCAL STUDIES LIBRARY								Cooperatives & Neighbourhoods
• Photocopying	0.20-1.20	0.20 - 1.20	N	0.00	0.20 - 1.20	0.00%	0.00	Cooperatives & Neighbourhoods
• Photocopying of Archives	0.40 - 2.10	0.40 - 2.10	N	0.00	0.40 - 2.10	0.00%	0.00	Cooperatives & Neighbourhoods
• Microfiche	0.70-1.70	0.70 - 1.70	N	0.00	0.70 - 1.70	0.00%	0.00	Cooperatives & Neighbourhoods
• Use of Digital Camera	1.00 - 10.00	1.00 - 10.00	N	0.00	1.00 - 10.00	0.00%	0.00	Cooperatives & Neighbourhoods
• OS 25" Map Copies	10.00	10.00	N	0.00	10.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Lectures	23.00	23.00	N	0.00	23.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Research	15.00 - 30.00	15.00 - 30.00	N	0.00	15.00 - 30.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Research Reprographic charges	5.00	5.00	N	0.00	5.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Copies of photographs	5.70	5.70	N	0.00	5.70	0.00%	0.00	Cooperatives & Neighbourhoods
REPRODUCTION								Cooperatives & Neighbourhoods
• Books, periodicals, e-books, CD-Roms	30.00 - 120.00	30.00 - 120.22	N	0.00	30.00 - 120.22	0.00%	0.00	Cooperatives & Neighbourhoods
• Presentations and internal reports	60.00 - 120.00	60.00 - 120.00	N	0.00	60.00-120.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Advertising in newspapers and periodicals	60.00 - 120.00	60.00 -120.00	N	0.00	60.00 -120.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Television	60.00-700.00	60.00 -700.00	N	0.00	60.00 -700.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Videos DVD's and films	120.00-240.00	120.00 - 240.00	N	0.00	120.00 - 240.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Exhibitions	60.00	60.00	N	0.00	60.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Interior Decoration of commercial premises	60.00	60.00	N	0.00	60.00	0.00%	0.00	Cooperatives & Neighbourhoods
<u>FACILITIES MANAGEMENT</u>								
CHADDERTON TOWN HALL / FAILSWORTH TOWN HALL								Economy & Skills
• Hourly Charge (including 1 Steward)	85.00	85.00	N	0.00	85.00	0.00%	0.00	Economy & Skills
• Data Projector Screen	20.00	20.00	N	0.00	20.00	0.00%	0.00	Economy & Skills
• Microphone	11.00	11.00	N	0.00	11.00	0.00%	0.00	Economy & Skills
• Screen	4.00	4.00	N	0.00	4.00	0.00%	0.00	Economy & Skills
• Flip Chart	4.00	4.00	N	0.00	4.00	0.00%	0.00	Economy & Skills
• PA System	28.00	28.00	N	0.00	28.00	0.00%	0.00	Economy & Skills
• Data Projector Screen	20.00	20.00	N	0.00	20.00	0.00%	0.00	Economy & Skills
QUEEN ELIZABETH HALL AND CHADDERTON TOWN HALL								Economy & Skills
STEWARDS								Economy & Skills
• Hourly Charge Per Steward	14.90	14.90	N	0.00	14.90	0.00%	0.00	Economy & Skills
• Minimum Charge 4 Hours	74.54	74.54	N	0.00	74.54	0.00%	0.00	Economy & Skills
• QEHL hires including Parking Provision Evening and Sundays only	250.00	250.00	Y	50.00	300.00	0.00%	0.00	Economy & Skills

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<u>DAYCARE PROVISION FOR CHILDREN'S CENTRES</u>								
• Full time place - Cost per week	146.00	146.00	N	0.00	146.00	0.00%	0.00	Economy & Skills
• AM session (8am-1pm) - per session	21.60	21.60	N	0.00	21.60	0.00%	0.00	Economy & Skills
• PM Session (1pm-6pm) - per session	18.50	18.50	N	0.00	18.50	0.00%	0.00	Economy & Skills
• Single full days - per day	36.00	36.00	N	0.00	36.00	0.00%	0.00	Economy & Skills
• 3 hour session – 2 year old - per session	9.20	9.20	N	0.00	9.20	0.00%	0.00	Economy & Skills
• 3 hour session – 3-4 years old - per session	8.15	8.15	N	0.00	8.15	0.00%	0.00	Economy & Skills
• Mini-day additional charge (charged in addition to session charges)	1.55	1.55	N	0.00	1.55	0.00%	0.00	Economy & Skills
• Late collection of children will incur extra costs and will be charged by the 1/4 hour.	10.00	10.00	N	0.00	10.00	0.00%	0.00	Economy & Skills
0 - 1 YEAR OLDS:								
• Per week.	170.00	170.00	N	0.00	170.00	0.00%	0.00	Economy & Skills
• Per day.	40.00	40.00	N	0.00	40.00	0.00%	0.00	Economy & Skills
• Per half day.	20.00	20.00	N	0.00	20.00	0.00%	0.00	Economy & Skills
2 YEAR OLDS:								
• Per week.	160.00	160.00	N	0.00	160.00	0.00%	0.00	Economy & Skills
• Per day.	35.00	35.00	N	0.00	35.00	0.00%	0.00	Economy & Skills
• Per half day.	20.00	20.00	N	0.00	20.00	0.00%	0.00	Economy & Skills
3 - 5 YEAR OLDS								
• Per week.	125.00	125.00	N	0.00	125.00	0.00%	0.00	Economy & Skills
• Per day.	30.00	30.00	N	0.00	30.00	0.00%	0.00	Economy & Skills
• Per half day.	20.00	20.00	N	0.00	20.00	0.00%	0.00	Economy & Skills
<u>OUTDOOR EDUCATION</u>								
PROVISION OF INSTRUCTORS FOR ACTIVITIES								
OLDHAM SCHOOLS, ACADEMIES WITH SLA & PCS / IYS								
• Environmental Education Course fee per group excludes transport to/ from centre per day+	260.00	260.00	N	0.00	260.00	0.00%	0.00	Health & Wellbeing
• Environmental Education Course fee per group excludes transport to/ from centre per half day	141.00	140.00	N	0.00	140.00	-0.71%	-1.00	Health & Wellbeing
• Outdoor Education activities per instructor includes equipment & minibus to/from & during activities per day	188.00	188.00	N	0.00	188.00	0.00%	0.00	Health & Wellbeing
• Outdoor Education activities per instructor includes equipment & minibus to/from & during activities per half day	115.00	115.00	N	0.00	115.00	0.00%	0.00	Health & Wellbeing
• Outdoor Education activities per instructor includes equipment & minibus to/from & during activities per hour	46.00	46.00	N	0.00	46.00	0.00%	0.00	Health & Wellbeing
• Use of minibus by groups for activities not associated with the Service	72.00	73.45	N	0.00	73.45	2.01%	1.45	Health & Wellbeing

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OTHER GROUPS INCLUDING ACADEMIES WITHOUT SLA'S								Health & Wellbeing
• Environmental Education Course fee per group excludes transport to/ from centre per day	312.50	312.50	Y	62.50	375.00	0.00%	0.00	Health & Wellbeing
• Outdoor Education activities per instructor includes equipment & minibus during activities but excludes transport to/ from Centre per day	312.50	312.50	Y	62.50	375.00	0.00%	0.00	Health & Wellbeing
• Outdoor Education activities per instructor includes equipment & minibus during activities but excludes transport to/ from Centre per half day	173.33	173.33	Y	34.67	208.00	0.00%	0.00	Health & Wellbeing
• Outdoor Education activities per instructor includes equipment & minibus during activities but excludes transport to/ from Centre per hour	62.50	62.50	Y	12.50	75.00	0.00%	0.00	Health & Wellbeing
RESIDENTIAL CHARGES PER PERSON PER NIGHT								Health & Wellbeing
OLDHAM SCHOOLS, ACADEMIES WITH SLA & PCS / IYS								Health & Wellbeing
• Castleshaw Primary pupil accommodation (Zero Rated)	4.50	4.60	N	0.00	4.60	2.22%	0.10	Health & Wellbeing
• Castleshaw Secondary pupil accommodation (Zero Rated)	7.00	7.15	N	0.00	7.15	2.14%	0.15	Health & Wellbeing
• Castleshaw Adult accommodation (Zero Rated)	9.00	9.20	N	0.00	9.20	2.22%	0.20	Health & Wellbeing
• Castleshaw Laundry (Exempt)	2.55	2.58	N	0.00	2.58	1.18%	0.03	Health & Wellbeing
• Castleshaw Camping - Per Person, Per night (Exempt)	3.50	3.58	N	0.00	3.58	2.29%	0.08	Health & Wellbeing
OTHER GROUPS INCLUDING ACADEMIES WITHOUT SLA'S								Health & Wellbeing
• Castleshaw - Under 12 years accommodation (Vatable)	7.50	7.67	Y	1.53	9.20	2.27%	0.17	Health & Wellbeing
• Castleshaw - Under 16 years accommodation (Vatable)	8.75	8.96	Y	1.79	10.75	2.40%	0.21	Health & Wellbeing
• Castleshaw - Adult accommodation (Vatable)	12.50	12.75	Y	2.55	15.30	2.00%	0.25	Health & Wellbeing
• Castleshaw Laundry (Vatable)	2.50	2.58	Y	0.52	3.10	3.20%	0.08	Health & Wellbeing
• Castleshaw Camping - Per Person, Per night (Vatable)	3.50	3.58	Y	0.72	4.30	2.29%	0.08	Health & Wellbeing
CATERING PER PERSON								Health & Wellbeing
OLDHAM SCHOOLS, ACADEMIES WITH SLA & PCS / IYS								Health & Wellbeing
• Castleshaw Breakfast - Under 12 years (Zero Rated)	2.20	2.25	N	0.00	2.25	2.27%	0.05	Health & Wellbeing
• Castleshaw Packed lunch - Under 12 years (Zero Rated)	2.90	2.96	N	0.00	2.96	2.07%	0.06	Health & Wellbeing
• Castleshaw Evening meal - Under 12 years (Zero Rated)	4.40	4.50	N	0.00	4.50	2.27%	0.10	Health & Wellbeing
• Castleshaw Breakfast - Under 16 years (Zero Rated)	2.60	2.67	N	0.00	2.67	2.69%	0.07	Health & Wellbeing
• Castleshaw Packed lunch - Under 16 years (Zero Rated)	3.15	3.21	N	0.00	3.21	1.90%	0.06	Health & Wellbeing
• Castleshaw Evening meal - Under 16 years (Zero Rated)	4.60	4.71	N	0.00	4.71	2.39%	0.11	Health & Wellbeing
• Castleshaw Breakfast - Adult (Zero Rated)	3.20	3.25	N	0.00	3.25	1.56%	0.05	Health & Wellbeing
• Castleshaw Packed lunch - Adult (Zero Rated)	3.60	3.67	N	0.00	3.67	1.94%	0.07	Health & Wellbeing
• Castleshaw Evening meal - Adult (Zero Rated)	7.00	7.08	N	0.00	7.08	1.14%	0.08	Health & Wellbeing

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OTHER GROUPS INCLUDING ACADEMIES WITHOUT SLA'S								
• Castleshaw Breakfast - Under 12 years (Vatable)	2.20	2.25	Y	0.45	2.70	2.27%	0.05	Health & Wellbeing
• Castleshaw Packed lunch - Under 12 years (Vatable)	2.90	2.96	Y	0.59	3.55	2.07%	0.06	Health & Wellbeing
• Castleshaw Evening meal - Under 12 years (Vatable)	4.40	4.50	Y	0.90	5.40	2.27%	0.10	Health & Wellbeing
• Castleshaw Breakfast - Under 16 years (Vatable)	2.60	2.67	Y	0.53	3.20	2.69%	0.07	Health & Wellbeing
• Castleshaw Packed lunch - Under 16 years (Vatable)	3.15	3.21	Y	0.64	3.85	1.90%	0.06	Health & Wellbeing
• Castleshaw Evening meal - Under 16 years (Vatable)	4.60	4.71	Y	0.94	5.65	2.39%	0.11	Health & Wellbeing
• Castleshaw Breakfast - Adult (Vatable)	3.20	3.25	Y	0.65	3.90	1.56%	0.05	Health & Wellbeing
• Castleshaw Packed lunch - Adult (Vatable)	3.60	3.67	Y	0.73	4.40	1.94%	0.07	Health & Wellbeing
• Castleshaw Evening meal - Adult (Vatable)	7.00	7.08	Y	1.42	8.50	1.14%	0.08	Health & Wellbeing
• Castleshaw Cooked lunch (if available) - Adult (Vatable)	7.00	7.08	Y	1.42	8.50	1.14%	0.08	Health & Wellbeing
VARIOUS OTHER CHARGES								
OLDHAM SCHOOLS, ACADEMIES WITH SLA & PCS / IYS								
• Castleshaw - Daily hire of centre (Zero Rated)	200.00	203.33	N	0.00	203.33	1.67%	3.33	Health & Wellbeing
• Castleshaw - meeting room hire per half day (Zero Rated)	60.00	61.25	N	0.00	61.25	2.08%	1.25	Health & Wellbeing
• Castleshaw - meeting room hire per day (Zero Rated)	120.00	122.50	N	0.00	122.50	2.08%	2.50	Health & Wellbeing
• Castleshaw - yurt hire per half day (Zero Rated)	60.00	61.25	N	0.00	61.25	2.08%	1.25	Health & Wellbeing
• Castleshaw - yurt hire per day (Zero Rated)	120.00	122.50	N	0.00	122.50	2.08%	2.50	Health & Wellbeing
• Under occupancy (Exempt)	4.50	4.60	N	0.00	4.60	2.22%	0.10	Health & Wellbeing
• Castleshaw Refreshments (Zero Rated)	2.60	2.67	N	0.00	2.67	2.69%	0.07	Health & Wellbeing
OTHER GROUPS INCLUDING ACADEMIES WITHOUT SLA'S								
• Castleshaw - Daily hire of centre (Vatable)	200.00	203.33	Y	40.67	244.00	1.67%	3.33	Health & Wellbeing
• Castleshaw - meeting room hire per half day (Vatable)	60.00	61.25	Y	12.25	73.50	2.08%	1.25	Health & Wellbeing
• Castleshaw - meeting room hire per day (Vatable)	120.00	122.50	Y	24.50	147.00	2.08%	2.50	Health & Wellbeing
• Castleshaw - yurt hire per half day ((Vatable)	60.00	61.25	Y	12.25	73.50	2.08%	1.25	Health & Wellbeing
• Castleshaw - yurt hire per day ((Vatable)	120.00	122.50	Y	24.50	147.00	2.08%	2.50	Health & Wellbeing
• Under occupancy (Vatable)	9.00	7.67	Y	1.53	9.20	-14.78%	-1.33	Health & Wellbeing
• Castleshaw booking deposit (Vatable)	150.00	154.17	Y	30.83	185.00	2.78%	4.17	Health & Wellbeing
• Castleshaw Refreshments (Vatable)	2.60	2.67	Y	0.53	3.20	2.69%	0.07	Health & Wellbeing
MUSIC SERVICE								
• Tuition Fees	41.85	41.85	N	0.00	41.85	0.00%	0.00	Health & Wellbeing
• Tuition Fees Additional siblings	36.75	36.75	N	0.00	36.75	0.00%	0.00	Health & Wellbeing
• Tuition Fees Adults/Pre-school	46.95	46.95	N	0.00	46.95	0.00%	0.00	Health & Wellbeing
• Tuition Fees Additional Groups	36.75	36.75	N	0.00	36.75	0.00%	0.00	Health & Wellbeing
• Letting of rooms (public) per hour	41.85	41.85	N	0.00	41.85	0.00%	0.00	Health & Wellbeing
• Letting of rooms (exam board) per day	156.00	156.00	N	0.00	156.00	0.00%	0.00	Health & Wellbeing
SCHOOL SWIMMING SERVICE								
• Swimming session - 30min p week x 38 weeks (zero rated)	2,383.00	2,383.00	N	0.00	2,383.00	0.00%	0.00	Health & Wellbeing

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LIFELONG LEARNING COURSE FEES								
• Some courses and room hires will be individually priced and will fall outside the hourly rate.								
TUITION FEES ADULT SKILLS (ASB) COMMUNITY LEARNING BUDGET								
• Engagement courses	FREE	FREE	N	0.00	FREE	0.00%	0.00	Economy & Skills
• Get Oldham Working - Employability courses	FREE	FREE	N	0.00	FREE	0.00%	0.00	Economy & Skills
• Adult Skills classes per hour	2.86	2.86	N	0.00	2.86	0.00%	0.00	Economy & Skills
• Community Learning classes per hour – RATE A STANDARD	3.62	3.62	N	0.00	3.62	0.00%	0.00	Economy & Skills
• Community Learning classes per hour – RATE B SPECIALIST	5.61	5.61	N	0.00	5.61	0.00%	0.00	Economy & Skills
• Concessionary fee for Community Learning classes per hour – RATE A	1.17	1.17	N	0.00	1.17	0.00%	0.00	Economy & Skills
• Concessionary fee for Community Learning classes per hour – RATE B	2.86	2.86	N	0.00	2.86	0.00%	0.00	Economy & Skills
BASIC SKILLS - ENGLISH AND MATHS, FAMILY LEARNING								
• Full cost recovery (income generating) hourly rate (+ additional resource costs)	7.60	7.60	N	0.00	7.60	0.00%	0.00	Economy & Skills
ACCREDITATION FEES - ALL PAYABLE AT ENROLMENT								
• Full fee	Actual awarding body charge	Actual awarding body charge			Actual awarding body charge	Variable	Variable	Economy & Skills
CRECHE PROVISION								
• Full fee paying learner per child, per session (crèches on main sites)	3.62	3.62	N	0.00	3.62	0.00%	0.00	Economy & Skills
COMMUNITY GROUP MEMBER USE								
• Full Fee Annual charge (40 weeks)	63.04	63.04	N	0.00	63.04	0.00%	0.00	Economy & Skills
CONCESSIONARY FEE - OVER 60'S AND INCLUDES 18 YEARS AND UNDER								
• (Annual charge – 40 weeks)	31.52	31.52	N	0.00	31.52	0.00%	0.00	Economy & Skills
• Full Fee (Annual charge reduction for 20 weeks)	31.52	31.52	N	0.00	31.52	0.00%	0.00	Economy & Skills
• Concessionary Fee (Annual charge reduction for 20 weeks)	15.76	15.76	N	0.00	15.76	0.00%	0.00	Economy & Skills
• Short term rate – weekly charge	1.55	1.60	N	0.00	1.60	3.23%	0.05	Economy & Skills
ROOM HIRE: INDIVIDUALS AND EXTERNAL SERVICES								
• Weekdays (per hour)	21.42	21.42	N	0.00	21.42	0.00%	0.00	Economy & Skills
• Weekends (per hour) Saturday (Up to 5pm)	29.58	29.60	N	0.00	29.60	0.07%	0.02	Economy & Skills
• Weekends (per hour) Saturday (after 5pm) + Sunday (up to 4pm)	35.70	35.70	N	0.00	35.70	0.00%	0.00	Economy & Skills

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• Specialist space hire i.e. kitchen , pottery, I.T Rooms (per hour)	26.52	26.52	N	0.00	26.52	0.00%	0.00	Economy & Skills
• Performance Space (per hour)	47.94	47.95	N	0.00	47.95	0.02%	0.01	Economy & Skills
ROOM HIRE: INTERNAL SERVICES				0.00	0.00			Economy & Skills
• Room hire: Internal Oldham Council Services (Per Hour)	16.17	16.17	N	0.00	16.17	0.00%	0.00	Economy & Skills
ADULT SOCIAL CARE SERVICES								
PROTECTION OF PROPERTY								Health & Wellbeing
• Admin fee with property search	544.00	544.00	N	0.00	544.00	0.00%	0.00	Health & Wellbeing
• Admin fee without property search	303.00	303.00	N	0.00	303.00	0.00%	0.00	Health & Wellbeing
• Burial/cremation - charge cost of service	Cost of service	Cost of Service	N	0.00	Cost of service	Variable	Variable	Health & Wellbeing
• Administration fee (per hour)	15.30	15.30	N	0.00	15.30	0.00%	0.00	Health & Wellbeing
• Storage property less than 28 days	FREE	FREE	N	0.00	FREE	0.00%	0.00	Health & Wellbeing
• Storage of property over 28 days	59.67	59.67	N	0.00	59.67	0.00%	0.00	Health & Wellbeing
• Deferred Payment Agreement set up fee	357.00	539.00	N	0.00	539.00	50.98%	182.00	Health & Wellbeing
• Deferred Payment Annual Fee	0.00	260.00	N	0.00	260.00	100.00%	260.00	Health & Wellbeing
• Deferred Payment Closure Fee	0.00	120.00	N	0.00	120.00	100.00%	120.00	Health & Wellbeing
• New Health and Well-Being Charge in ECH	0.00	Actual cost of provision	N	0.00	Actual cost of provision	Variable	Variable	Health & Wellbeing
MISCELLANEOUS								Health & Wellbeing
• Meals at day centres or luncheon clubs	4.00	4.00	N	0.00	4.00	0.00%	0.00	Health & Wellbeing
• Transport	2.80	2.80	N	0.00	2.80	0.00%	0.00	Health & Wellbeing
• Helpline services (per week) - Bronze	2.00	2.00	N	0.00	2.00	0.00%	0.00	Health & Wellbeing
• Helpline services (per week) - Silver	5.00	5.00	N	0.00	5.00	0.00%	0.00	Health & Wellbeing
• Helpline services (per week) - Gold	6.00	6.50	N	0.00	6.50	8.33%	0.50	Health & Wellbeing
• Assistive Technology per item per week	1.00	1.00	N	0.00	1.00	0.00%	0.00	Health & Wellbeing
• Key Safe - supply and installation (£10 discount if installed at the same time as the helpline)	65.00	65.00	N	0.00	65.00	0.00%	0.00	Health & Wellbeing
• Installation charges - Helpline	40.00	40.00	N	0.00	40.00	0.00%	0.00	Health & Wellbeing
• Base unit and pendant - recharge for equipment lost or not returned or damaged beyond repair	100.00	120.00	N	0.00	120.00	20.00%	20.00	Health & Wellbeing
• Smoke Alarm not returned or damaged beyond repair	50.00	50.00	N	0.00	50.00	0.00%	0.00	Health & Wellbeing
• Replacement Pendants (lost or damaged)	50.00	50.00	N	0.00	50.00	0.00%	0.00	Health & Wellbeing
• Pill Dispenser (lost or damaged)	0.00	150.00	N	0.00	150.00	100.00%	150.00	Health & Wellbeing
• Appointeeship Charges - Residential (New)	5.00	5.00	N	0.00	5.00	0.00%	0.00	Health & Wellbeing
• Appointeeship Charges - Community (New)	10.00	10.00	N	0.00	10.00	0.00%	0.00	Health & Wellbeing
COST OF SERVICES PURCHASED FROM INDIVIDUAL BUDGET OR FULL COST PAYER								Health & Wellbeing
• Residential Care - Cancellation Fee	50.00	0.00	N	0.00	0.00	-100.00%	-50.00	Health & Wellbeing
• Additional Support Worker respite / supported living per hour	18.45	18.45	N	0.00	18.45	0.00%	0.00	Health & Wellbeing
• Dementia Premium	42.00	42.00	N	0.00	42.00	0.00%	0.00	Health & Wellbeing
• Cancellation fee	10.00	10.00	N	0.00	10.00	0.00%	0.00	Health & Wellbeing

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• Non FACS eligible wellbeing service	10.00	10.00	N	0.00	10.00	0.00%	0.00	Health & Wellbeing
COURT OF PROTECTION FEES								Health & Wellbeing
• Work up to First Order	0.00	670.00	N	0.00	670.00	100.00%	670.00	Health & Wellbeing
• Lodgement of Account	0.00	195.00	N	0.00	195.00	100.00%	195.00	Health & Wellbeing
• General working first year (assets over £16K)	0.00	700.00	N	0.00	700.00	100.00%	700.00	Health & Wellbeing
• Assets over £16K (3% of balance)		Dependent on Balance	N	0.00	Dependent on Balance	Variable	Variable	Health & Wellbeing
• General work in any subsequent year (assets over £16K)	0.00	585.00	N	0.00	585.00	100.00%	585.00	Health & Wellbeing
• Subsequent year - Assets over £16K (3% of balance)	0.00	Dependent on Balance	N	0.00	Dependent on Balance	Variable	Variable	Health & Wellbeing
• Annual property management fee	0.00	270.00	N	0.00	270.00	100.00%	270.00	Health & Wellbeing
ROOM HIRE (PER HOUR)								Health & Wellbeing
LINK CENTRE								Health & Wellbeing
MEETING ROOM 1 AND 2								Health & Wellbeing
• Weekdays 8:30 -17:00	15.68	15.68	Y	3.14	18.82	0.00%	0.00	Health & Wellbeing
• Evenings 17:00 - 21:30	20.91	20.91	Y	4.18	25.09	0.00%	0.00	Health & Wellbeing
• Saturday	26.14	26.14	Y	5.23	31.37	0.00%	0.00	Health & Wellbeing
• Sunday	31.37	31.37	Y	6.27	37.64	0.00%	0.00	Health & Wellbeing
FUNCTION ROOMS (FULL)								Health & Wellbeing
• Weekdays 8:30 -17:00	31.37	31.37	Y	6.27	37.64	0.00%	0.00	Health & Wellbeing
• Evenings 17:00 - 21:30	37.64	37.64	Y	7.53	45.17	0.00%	0.00	Health & Wellbeing
• Saturday	43.91	43.91	Y	8.78	52.69	0.00%	0.00	Health & Wellbeing
• Sunday	52.28	52.28	Y	10.46	62.74	0.00%	0.00	Health & Wellbeing
FUNCTION ROOMS (HALF SIZE)								Health & Wellbeing
• Weekdays 8:30 -17:00	21.96	21.96	Y	4.39	26.35	0.00%	0.00	Health & Wellbeing
• Evenings 17:00 - 21:30	27.18	27.18	Y	5.44	32.62	0.00%	0.00	Health & Wellbeing
• Saturday	32.41	32.41	Y	6.48	38.89	0.00%	0.00	Health & Wellbeing
• Sunday	39.73	39.73	Y	7.95	47.68	0.00%	0.00	Health & Wellbeing
FUNCTION ROOMS (QUARTER SIZE)								Health & Wellbeing
• Weekdays 8:30 -17:00	15.68	15.68	Y	3.14	18.82	0.00%	0.00	Health & Wellbeing
• Evenings 17:00 - 21:30	20.91	20.91	Y	4.18	25.09	0.00%	0.00	Health & Wellbeing
• Saturday	26.14	26.14	Y	5.23	31.37	0.00%	0.00	Health & Wellbeing
• Sunday	31.37	31.37	Y	6.27	37.64	0.00%	0.00	Health & Wellbeing
INTERVIEW ROOM								Health & Wellbeing
• Weekdays 8:30 -17:00	5.23	5.23	Y	1.05	6.28	0.00%	0.00	Health & Wellbeing
• Evenings 17:00 - 21:30	8.36	8.36	Y	1.67	10.03	0.00%	0.00	Health & Wellbeing
• Saturday	12.55	12.55	Y	2.51	15.06	0.00%	0.00	Health & Wellbeing
• Sunday	17.77	17.77	Y	3.55	21.32	0.00%	0.00	Health & Wellbeing

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TREATMENT ROOM								Health & Wellbeing
• Weekdays 8:30 -17:00	8.36	8.36	Y	1.67	10.03	0.00%	0.00	Health & Wellbeing
• Evenings 17:00 - 21:30	12.55	12.55	Y	2.51	15.06	0.00%	0.00	Health & Wellbeing
• Saturday	18.82	18.82	Y	3.76	22.58	0.00%	0.00	Health & Wellbeing
• Sunday	27.18	27.18	Y	5.44	32.62	0.00%	0.00	Health & Wellbeing
PHYSIOTHERAPY								Health & Wellbeing
• Weekdays 8:30 -17:00	10.46	10.46	Y	2.09	12.55	0.00%	0.00	Health & Wellbeing
• Evenings 17:00 - 21:30	15.68	15.68	Y	3.14	18.82	0.00%	0.00	Health & Wellbeing
• Saturday	20.91	20.91	Y	4.18	25.09	0.00%	0.00	Health & Wellbeing
• Sunday	29.27	29.27	Y	5.85	35.12	0.00%	0.00	Health & Wellbeing
RELAXATION ROOM								Health & Wellbeing
• Weekdays 8:30 -17:00	10.46	10.46	Y	2.09	12.55	0.00%	0.00	Health & Wellbeing
• Evenings 17:00 - 21:30	15.68	15.68	Y	3.14	18.82	0.00%	0.00	Health & Wellbeing
• Saturday	20.91	20.91	Y	4.18	25.09	0.00%	0.00	Health & Wellbeing
• Sunday	29.27	29.27	Y	5.85	35.12	0.00%	0.00	Health & Wellbeing
USE OF CAFÉ AREA								Health & Wellbeing
• Evenings 17:00 - 21:30	20.91	20.91	Y	4.18	25.09	0.00%	0.00	Health & Wellbeing
• Saturday	26.14	26.14	Y	5.23	31.37	0.00%	0.00	Health & Wellbeing
• Sunday	31.37	31.37	Y	6.27	37.64	0.00%	0.00	Health & Wellbeing
USE OF AMENITIES								Health & Wellbeing
• Evenings 17:00 - 21:30	20.91	20.91	Y	4.18	25.09	0.00%	0.00	Health & Wellbeing
• Saturday	26.14	26.14	Y	5.23	31.37	0.00%	0.00	Health & Wellbeing
• Sunday	31.37	31.37	Y	6.27	37.64	0.00%	0.00	Health & Wellbeing
ADDITIONAL EQUIPMENT / SERVICE HIRE (PER HOUR)								Health & Wellbeing
• Projector(includes wide screen)	8.36	8.36	Y	1.67	10.03	0.00%	0.00	Health & Wellbeing
• TV / DVD	10.46	10.46	Y	2.09	12.55	0.00%	0.00	Health & Wellbeing
• Laptop	10.46	10.46	Y	2.09	12.55	0.00%	0.00	Health & Wellbeing
• Flip Chart Stands	2.09	2.09	Y	0.42	2.51	0.00%	0.00	Health & Wellbeing
• Photocopying (per sheet)	0.10	0.10	Y	0.02	0.12	0.00%	0.00	Health & Wellbeing
• Large Water Boiler	5.23	5.23	Y	1.05	6.28	0.00%	0.00	Health & Wellbeing

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TRADING STANDARDS								
The cost of any material used will be added to each of these charges								
WEIGHING & MEASURING EQUIPMENT (VERIFICATION)								
Non Automatic weighing machines – UK verification								
The fee per instrument or (if fitted with two or more weighing tables or platforms connected to one or more indicating mechanism) the fee per weight table or platform.								
• Not exceeding 30 kg	35.00	35.00	N	0.00	35.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Exceeding 30 kg but not exceeding 250 kg	60.00	60.00	N	0.00	60.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Exceeding 250 kg but not exceeding 1 tonne	95.00	95.00	N	0.00	95.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Exceeding 1 tonne but not exceeding 5 tonne	150.00	150.00	N	0.00	150.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Exceeding 5 tonne but not exceeding 30 tonne	290.00	290.00	N	0.00	290.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Exceeding 30 tonne#	460.00	460.00	N	0.00	460.00	0.00%	0.00	Cooperatives & Neighbourhoods
Where labour and equipment are provided to facilitate the test the appropriate fee is reduced by 50%.								
MEASURING INSTRUMENTS								
Measuring instruments for liquid fuel or lubricants or mixtures thereof.								
• Container types (unsubdivided)	70.00	70.00	N	0.00	70.00	0.00%	0.00	Cooperatives & Neighbourhoods
SINGLE / MULTI GRADE TYPES								
• First nozzle tested, per visit per site	90.00	90.00	N	0.00	90.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Each additional nozzle tested	70.00	70.00	N	0.00	70.00	0.00%	0.00	Cooperatives & Neighbourhoods
WEIGHTS								
• Not exceeding 5 kg	8.00	8.00	N	0.00	8.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Exceeding 5 kg	12.00	12.00	N	0.00	12.00	0.00%	0.00	Cooperatives & Neighbourhoods
LINEAR MEASURES								
• Not exceeding 3 metres	14.00	14.00	N	0.00	14.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Exceeding 3 metres	18.00	18.00	N	0.00	18.00	0.00%	0.00	Cooperatives & Neighbourhoods
CAPACITY MEASURES								
• Unsubdivided Per measure	10.00	10.00	N	0.00	10.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Subdivided Per measure	14.00	14.00	N	0.00	14.00	0.00%	0.00	Cooperatives & Neighbourhoods
OTHER WEIGHING AND MEASURING EQUIPMENT								
• All other weighing and measuring equipment (per person per hour)	70.00	70.00	N	0.00	70.00	0.00%	0.00	Cooperatives & Neighbourhoods

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
TESTING OF WEIGHING AND MEASURING EQUIPMENT (CALIBRATION)								Cooperatives & Neighbourhoods
WEIGHTS (WITH CERTIFICATE OF TEST)								Cooperatives & Neighbourhoods
• Not exceeding 5kg (10 lb)	10.00	10.00	N	0.00	10.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Exceeding 5 kg (10 lb) but not exceeding 25 kg (56 lb)	14.00	14.00	N	0.00	14.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Exceeding 25 kg (56 lb)	25.00	25.00	N	0.00	25.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Adjustment service per weight	6.50	6.50	N	0.00	6.50	0.00%	0.00	Cooperatives & Neighbourhoods
A surcharge of 10% is applicable if the submission is fewer than 5 items in total.								
LINEAR MEASURES (with certificate of test)								Cooperatives & Neighbourhoods
• Not exceeding 3 metres (10 feet)	15.00	15.00	N	0.00	15.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Exceeding 3 metres (10 feet)	20.00	20.00	N	0.00	20.00	0.00%	0.00	Cooperatives & Neighbourhoods
A surcharge of 10% is applicable if the submission is fewer than 5 items in total.								
OTHER								Cooperatives & Neighbourhoods
	As per verification fees	As per verification fees	N	0.00	As per verification fees	Variable	Variable	Cooperatives & Neighbourhoods
• Request tests of trade equipment								
• All other weighing and measuring equipment incl. the provision of certificate of accuracy (Per person per hour)	70.00	70.00	N	0.00	70.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Additional copies of certificate of accuracy	10.00	10.00	N	0.00	10.00	0.00%	0.00	Cooperatives & Neighbourhoods
Do You Pass Training Course								Cooperatives & Neighbourhoods
• 1st attendee	55.00	55.00	N	0.00	55.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 2nd and subsequent attendees from same premises	45.00	45.00	N	0.00	45.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Business Advice hourly rate	50.00	50.00	N	0.00	50.00	0.00%	0.00	Cooperatives & Neighbourhoods
LICENSING								
• Hackney Vehicle licence - (Full year fee) (Three tests)	302.00	302.00	N	0.00	302.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Hackney Vehicle Licence - (Full Year Fee) (Two Tests)	244.00	244.00	N	0.00	244.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Hackney Vehicle Licence - (Full Year Fee) (One Test)	186.00	186.00	N	0.00	186.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Taxi Marshall Levy	140.00	140.00	N	0.00	140.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Vehicle Change	110.00	110.00	N	0.00	110.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Vehicle Re-tests (full)	58.00	58.00	N	0.00	58.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Vehicle Re-tests (part)	20.00	20.00	N	0.00	20.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Owner Change	16.00	16.00	N	0.00	16.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Drivers Licence – New (1 year)	117.00	119.00	N	0.00	119.00	1.71%	2.00	Cooperatives & Neighbourhoods
• Drivers Licence – New (3 year)	204.00	227.00	N	0.00	227.00	11.27%	23.00	Cooperatives & Neighbourhoods
• Drivers Licence – Renewal (1 year)	71.00	73.00	N	0.00	73.00	2.82%	2.00	Cooperatives & Neighbourhoods
• Drivers Licence – Renewal (3 year)	158.00	181.00	N	0.00	181.00	14.56%	23.00	Cooperatives & Neighbourhoods
• Drivers Licence - Online - New (1 year)	107.00	114.00	N	0.00	114.00	6.54%	7.00	Cooperatives & Neighbourhoods
• Drivers Licence - Online - Renewal (1 year)	61.00	68.00	N	0.00	68.00	11.48%	7.00	Cooperatives & Neighbourhoods
• Drivers Licence - Online - Grant (3 year)	0.00	212.00	N	0.00	212.00	100.00%	212.00	Cooperatives & Neighbourhoods
• Drivers Licence - Online - Renewal (3 year)	0.00	166.00	N	0.00	166.00	100.00%	166.00	Cooperatives & Neighbourhoods

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• Drivers Proficiency Re-tests	36.00	36.00	N	0.00	36.00	0.00%	0.00	Cooperatives & Neighbourhoods
PRIVATE HIRE OPERATOR LICENCE - ONE YEAR FEE								Cooperatives & Neighbourhoods
OPERATORS LICENCE - NO STARS								Cooperatives & Neighbourhoods
• 1 Vehicle	413.00	413.00	N	0.00	413.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 2 – 10 Vehicles	678.00	678.00	N	0.00	678.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 11 – 30 Vehicles	1,410.00	1,410.00	N	0.00	1,410.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 31 – 60 Vehicles	1,794.00	1,794.00	N	0.00	1,794.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 61+ Vehicles	2,317.00	2,317.00	N	0.00	2,317.00	0.00%	0.00	Cooperatives & Neighbourhoods
OPERATORS LICENCE - ONE STARS								Cooperatives & Neighbourhoods
• 1 Vehicle	332.00	332.00	N	0.00	332.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 2 – 10 Vehicles	580.00	580.00	N	0.00	580.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 11 – 30 Vehicles	1,242.00	1,242.00	N	0.00	1,242.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 31 – 60 Vehicles	1,528.00	1,528.00	N	0.00	1,528.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 61+ Vehicles	2,027.00	2,027.00	N	0.00	2,027.00	0.00%	0.00	Cooperatives & Neighbourhoods
OPERATORS LICENCE - TWO STARS								Cooperatives & Neighbourhoods
• 1 Vehicle	249.00	237.00	N	0.00	237.00	-4.82%	-12.00	Cooperatives & Neighbourhoods
• 2 – 10 Vehicles	525.00	473.00	N	0.00	473.00	-9.90%	-52.00	Cooperatives & Neighbourhoods
• 11 – 30 Vehicles	1,197.00	994.00	N	0.00	994.00	-16.96%	-203.00	Cooperatives & Neighbourhoods
• 31 – 60 Vehicles	1,505.00	1,235.00	N	0.00	1,235.00	-17.94%	-270.00	Cooperatives & Neighbourhoods
• 61+ Vehicles	1,768.00	1,415.00	N	0.00	1,415.00	-19.97%	-353.00	Cooperatives & Neighbourhoods
OPERATORS LICENCE - THREE STARS								Cooperatives & Neighbourhoods
• 1 Vehicle	207.00	197.00	N	0.00	197.00	-4.83%	-10.00	Cooperatives & Neighbourhoods
• 2 – 10 Vehicles	387.00	349.00	N	0.00	349.00	-9.82%	-38.00	Cooperatives & Neighbourhoods
• 11 – 30 Vehicles	867.00	720.00	N	0.00	720.00	-16.96%	-147.00	Cooperatives & Neighbourhoods
• 31 – 60 Vehicles	1,112.00	868.00	N	0.00	868.00	-21.94%	-244.00	Cooperatives & Neighbourhoods
• 61+ Vehicles	1,362.00	995.00	N	0.00	995.00	-26.95%	-367.00	Cooperatives & Neighbourhoods
OPERATORS LICENCE - FOUR STARS								Cooperatives & Neighbourhoods
• 1 Vehicle	170.00	162.00	N	0.00	162.00	-4.71%	-8.00	Cooperatives & Neighbourhoods
• 2 – 10 Vehicles	298.00	269.00	N	0.00	269.00	-9.73%	-29.00	Cooperatives & Neighbourhoods
• 11 – 30 Vehicles	693.00	576.00	N	0.00	576.00	-16.88%	-117.00	Cooperatives & Neighbourhoods
• 31 – 60 Vehicles	940.00	734.00	N	0.00	734.00	-21.91%	-206.00	Cooperatives & Neighbourhoods
• 61+ Vehicles	1,250.00	900.00	N	0.00	900.00	-28.00%	-350.00	Cooperatives & Neighbourhoods
PRIVATE HIRE OPERATOR LICENCE - FIVE YEAR FEE								Cooperatives & Neighbourhoods
OPERATORS LICENCE - NO STARS								Cooperatives & Neighbourhoods
• 1 Vehicle	1,955.00	1,955.00	N	0.00	1,955.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 2 – 10 Vehicles	3,280.00	3,280.00	N	0.00	3,280.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 11 – 30 Vehicles	6,940.00	6,940.00	N	0.00	6,940.00	0.00%	0.00	Cooperatives & Neighbourhoods

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• 31 – 60 Vehicles	8,860.00	8,860.00	N	0.00	8,860.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 61+ Vehicles	11,475.00	11,475.00	N	0.00	11,475.00	0.00%	0.00	Cooperatives & Neighbourhoods
OPERATORS LICENCE - ONE STAR								Cooperatives & Neighbourhoods
• 1 Vehicle	1,550.00	1,550.00	N	0.00	1,550.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 2 – 10 Vehicles	2,790.00	2,790.00	N	0.00	2,790.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 11 – 30 Vehicles	6,100.00	6,100.00	N	0.00	6,100.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 31 – 60 Vehicles	7,530.00	7,530.00	N	0.00	7,530.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 61+ Vehicles	10,025.00	10,025.00	N	0.00	10,025.00	0.00%	0.00	Cooperatives & Neighbourhoods
OPERATORS LICENCE - TWO STARS								Cooperatives & Neighbourhoods
• 1 Vehicle	1,135.00	1,085.00	N	0.00	1,085.00	-4.41%	-50.00	Cooperatives & Neighbourhoods
• 2 – 10 Vehicles	2,515.00	2,265.00	N	0.00	2,265.00	-9.94%	-250.00	Cooperatives & Neighbourhoods
• 11 – 30 Vehicles	5,875.00	4,870.00	N	0.00	4,870.00	-17.11%	-1,005.00	Cooperatives & Neighbourhoods
• 31 – 60 Vehicles	7,415.00	6,075.00	N	0.00	6,075.00	-18.07%	-1,340.00	Cooperatives & Neighbourhoods
• 61+ Vehicles	8,730.00	6,975.00	N	0.00	6,975.00	-20.10%	-1,755.00	Cooperatives & Neighbourhoods
OPERATORS LICENCE - THREE STARS								Cooperatives & Neighbourhoods
• 1 Vehicle	925.00	885.00	N	0.00	885.00	-4.32%	-40.00	Cooperatives & Neighbourhoods
• 2 – 10 Vehicles	1,825.00	1,645.00	N	0.00	1,645.00	-9.86%	-180.00	Cooperatives & Neighbourhoods
• 11 – 30 Vehicles	4,225.00	3,500.00	N	0.00	3,500.00	-17.16%	-725.00	Cooperatives & Neighbourhoods
• 31 – 60 Vehicles	5,450.00	4,240.00	N	0.00	4,240.00	-22.20%	-1,210.00	Cooperatives & Neighbourhoods
• 61+ Vehicles	6,700.00	4,875.00	N	0.00	4,875.00	-27.24%	-1,825.00	Cooperatives & Neighbourhoods
OPERATORS LICENCE - FOUR STARS								Cooperatives & Neighbourhoods
• 1 Vehicle	740.00	710.00	N	0.00	710.00	-4.05%	-30.00	Cooperatives & Neighbourhoods
• 2 – 10 Vehicles	1,380.00	1,245.00	N	0.00	1,245.00	-9.78%	-135.00	Cooperatives & Neighbourhoods
• 11 – 30 Vehicles	3,355.00	2,780.00	N	0.00	2,780.00	-17.14%	-575.00	Cooperatives & Neighbourhoods
• 31 – 60 Vehicles	4,590.00	3,570.00	N	0.00	3,570.00	-22.22%	-1,020.00	Cooperatives & Neighbourhoods
• 61+ Vehicles	6,140.00	4,400.00	N	0.00	4,400.00	-28.34%	-1,740.00	Cooperatives & Neighbourhoods
PRIVATE HIRE VEHICLE LICENCE								Cooperatives & Neighbourhoods
• Private Hire Vehicle Licence - (Full year - Three Tests)	357.00	357.00	N	0.00	357.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Private Hire Vehicle Licence – (Full Year Fee – Two Tests)	299.00	299.00	N	0.00	299.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Private Hire Vehicle Licence - (Full Year Fee – One Test)	241.00	241.00	N	0.00	241.00	0.00%	0.00	Cooperatives & Neighbourhoods
SUPPLEMENTARY CHARGES								Cooperatives & Neighbourhoods
• Replacement Plates (Each)	7.00	7.00	N	0.00	7.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Plates Securing Bracket (L Shape)	12.00	12.00	N	0.00	12.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Plates Securing Bracket (Flat Shape)	6.00	6.00	N	0.00	6.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Plate holders - each	8.00	8.00	N	0.00	8.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Cancelled/Failed to Attend Vehicle Test (Less than 48 hours notice given) - Admin Charge	58.00	58.00	N	0.00	58.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Cancelled/Failed to Attend Driver Proficiency Test (Less than 48 hours notice given)	36.00	36.00	N	0.00	36.00	0.00%	0.00	Cooperatives & Neighbourhoods

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• Fee to be deducted for a withdrawn/refused application & amendments to licences	33.00	33.00	N	0.00	33.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Pre-application advice per hour	30.00	30.00	N	0.00	30.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Hackney Carriage Door signs	5.00	5.00	N	0.00	5.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Star rating door signs	1.00	1.00	N	0.00	1.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Sex Shop Licence	370.00	370.00	N	0.00	370.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Sexual entertainment venue	750.00	750.00	N	0.00	750.00	0.00%	0.00	Cooperatives & Neighbourhoods
STREET TRADING								
• Street trading consents and licences - (Ice Cream / Veg) - Yearly	690.00	690.00	N	0.00	690.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Street trading consents and licences - (Ice Cream / Veg) - 6 Months	345.00	345.00	N	0.00	345.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Street trading consents (Other traders) - Yearly	590.00	590.00	N	0.00	590.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Street trading consents (Other traders) - 6 Months	295.00	295.00	N	0.00	295.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Street trading assistant	21.00	21.00	N	0.00	21.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Street trading licences Town Centre - Per Quarter	1,195.00	1,195.00	N	0.00	1,195.00	0.00%	0.00	Cooperatives & Neighbourhoods
STREET TRADING - DAILY FEES :								
• 1st Day	67.00	67.00	N	0.00	67.00	0.00%	0.00	Cooperatives & Neighbourhoods
• 2nd and Subsequent Days	32.00	32.00	N	0.00	32.00	0.00%	0.00	Cooperatives & Neighbourhoods
STREET TRADING – MISCELLANEOUS								
• Uppermill Weekly Market	110.00	110.00	N	0.00	110.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Marriage premises licence	1,478.00	1,478.00	N	0.00	1,478.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Review of Marriage premises licence	500.00	500.00	N	0.00	500.00	0.00%	0.00	Cooperatives & Neighbourhoods
SCRAP METAL DEALER SITE LICENCE								
• New	625.00	625.00	N	0.00	625.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Per additional site	560.00	560.00	N	0.00	560.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Renewal	460.00	460.00	N	0.00	460.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Renewal per additional site	395.00	395.00	N	0.00	395.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Minor variation	30.00	30.00	N	0.00	30.00	0.00%	0.00	Cooperatives & Neighbourhoods
SCRAP METAL COLLECTORS LICENCE								
• New	260.00	260.00	N	0.00	260.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Renewal	220.00	220.00	N	0.00	220.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Minor Variation	30.00	30.00	N	0.00	30.00	0.00%	0.00	Cooperatives & Neighbourhoods
CARBOOT / TABLE TOP SALES								
• Up to 20 stalls	40.00	40.00	N	0.00	40.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Additional stalls - per stall	2.00	2.00	N	0.00	2.00	0.00%	0.00	Cooperatives & Neighbourhoods
SKIP PERMITS								
• Registration	150.00	150.00	N	0.00	150.00	0.00%	0.00	Cooperatives & Neighbourhoods

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• Application when registration is in place	30.00	30.00	N	0.00	30.00	0.00%	0.00	Cooperatives & Neighbourhoods
ANNUAL PERMISSIONS								Cooperatives & Neighbourhoods
• Up to 100 skips	1,150.00	1,150.00	N	0.00	1,150.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Up to 300 skips	3,450.00	3,450.00	N	0.00	3,450.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Up to 500 skips	5,750.00	5,750.00	N	0.00	5,750.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Over 500 - each skip thereafter	11.50	11.50	N	0.00	11.50	0.00%	0.00	Cooperatives & Neighbourhoods
• Retrospective Application following Officer Visit	99.50	99.50	N	0.00	99.50	0.00%	0.00	Cooperatives & Neighbourhoods
SCAFFOLDING LICENCE								Cooperatives & Neighbourhoods
• Application	66.00	66.00	N	0.00	66.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Renewal	43.00	43.00	N	0.00	43.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Annual Permission	1,250.00	1,250.00	N	0.00	1,250.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Retrospective application following Officer visit	99.50	99.50	N	0.00	99.50	0.00%	0.00	Cooperatives & Neighbourhoods
HIGHWAYS								Cooperatives & Neighbourhoods
• Placing material on	62.00	62.00	N	0.00	62.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Excavation of	227.00	227.00	N	0.00	227.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Application for pavement café licence	175.00	175.00	N	0.00	175.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Renewal of above	98.00	98.00	N	0.00	98.00	0.00%	0.00	Cooperatives & Neighbourhoods
SEARCHES								Cooperatives & Neighbourhoods
• Searches by letter (First five questions)	40 / 55	65.00	N	0.00	65.00	Variable	Variable	Cooperatives & Neighbourhoods
• Searches by letter (Per additional question)	0.00	15.00	N	0.00	15.00	100.00%	15.00	Cooperatives & Neighbourhoods
ACCESS PROTECTION MARKINGS								Cooperatives & Neighbourhoods
• Access protection markings (previous year charges no longer applicable)	142.80	0.00	N	0.00	0.00	-100.00%	-142.80	Cooperatives & Neighbourhoods
• Fee for application (2016/17 charges)	0.00	50.00	N	0.00	50.00	100.00%	50.00	Cooperatives & Neighbourhoods
• Fee for implementation of application (2016/17 charges)	0.00	100.00	N	0.00	100.00	100.00%	100.00	Cooperatives & Neighbourhoods
ROAD CLOSURE : STOPPING UP ORDERS								Cooperatives & Neighbourhoods
• Stopping up orders (including court fees)	1,250.00	2,500.00	N	0.00	2,500.00	100.00%	1,250.00	Cooperatives & Neighbourhoods
ADOPTION FEE								Cooperatives & Neighbourhoods
BOND								Cooperatives & Neighbourhoods
• £0k - £49k (charged as a % of bond value)	8.00%	8.50%	N	0.00	8.50%	N/A	N/A	Cooperatives & Neighbourhoods
• £50k - £100k (Charged as a % of bond value)	7.50%	8.50%	N	0.00	8.50%	N/A	N/A	Cooperatives & Neighbourhoods
• £100k plus	5.00%	8.50%	N	0.00	8.50%	N/A	N/A	Cooperatives & Neighbourhoods
FEE								Cooperatives & Neighbourhoods
• Adoption fee - minimum charge	1,003.00	2,400.00	N	0.00	2,400.00	139.28%	1,397.00	Cooperatives & Neighbourhoods
STREET NAMING								Cooperatives & Neighbourhoods
• Street naming	0.00	210.00	N	0.00	210.00	100.00%	210.00	Cooperatives & Neighbourhoods

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
LICENSING								
HOARDING LICENCE								
• Application	62.00	62.00	N	0.00	62.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Renewal	42.00	42.00	N	0.00	42.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Retrospective application following Officer visit	99.50	99.50	N	0.00	99.50	0.00%	0.00	Cooperatives & Neighbourhoods
		Cost Recovery			Cost Recovery			
• Inspections of hoardings	Cost Recovery	+ 5%	N	0.00	+ 5%	Variable	Variable	Cooperatives & Neighbourhoods
• Duplicate licences (Any Licence)	13.00	13.00	N	0.00	13.00	0.00%	0.00	Cooperatives & Neighbourhoods
INVESTIGATION WORK FOR SOLICITORS, INSURANCE AND OTHER PROFESSIONAL SERVICES								
• First Hour	46.00	46.00	N	0.00	46.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Each subsequent hour or part thereof	31.00	31.00	N	0.00	31.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Not for profit or public sector organisations (such as police, law enforcement and fraud investigations)	No fee	FREE	N	0.00	FREE	0.00%	0.00	Cooperatives & Neighbourhoods
GAMBLING ACT 2005 BINGO PREMISES								
• New	2,703.75	2,703.75	N	0.00	2,703.75	0.00%	0.00	Cooperatives & Neighbourhoods
• Annual Fee	772.50	772.50	N	0.00	772.50	0.00%	0.00	Cooperatives & Neighbourhoods
• Variation	1,351.35	1,351.35	N	0.00	1,351.35	0.00%	0.00	Cooperatives & Neighbourhoods
• Provisional Statement	2,703.75	2,703.75	N	0.00	2,703.75	0.00%	0.00	Cooperatives & Neighbourhoods
• Transfer	927.00	927.00	N	0.00	927.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Reinstatement	927.00	927.00	N	0.00	927.00	0.00%	0.00	Cooperatives & Neighbourhoods
BETTING PREMISES (EXCLUDING TRACKS)								
• New	2,500.00	2,500.00	N	0.00	2,500.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Annual Fee	550.00	550.00	N	0.00	550.00	0.00%	-0.00	Cooperatives & Neighbourhoods
• Variation	1,200.00	1,200.00	N	0.00	1,200.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Provisional Statement	930.00	930.00	N	0.00	930.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Transfer	930.00	930.00	N	0.00	930.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Reinstatement	930.00	930.00	N	0.00	930.00	0.00%	0.00	Cooperatives & Neighbourhoods
TRACKS								
• New	1,875.00	1,875.00	N	0.00	1,875.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Annual Fee	750.00	750.00	N	0.00	750.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Variation	937.00	937.00	N	0.00	937.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Provisional Statement	1,875.00	1,875.00	N	0.00	1,875.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Transfer	712.00	712.00	N	0.00	712.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Reinstatement	712.00	712.00	N	0.00	712.00	0.00%	0.00	Cooperatives & Neighbourhoods
FAMILY ENTERTAINMENT CENTRE								
• New	1,500.00	1,500.00	N	0.00	1,500.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Annual Fee	562.00	562.00	N	0.00	562.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Variation	750.00	750.00	N	0.00	750.00	0.00%	0.00	Cooperatives & Neighbourhoods

DESCRIPTION OF FEE	2015/16 Agreed (Net VAT) (£)	2016/17 Proposed (Net VAT) (£)	VARIABLE	VAT (£)	2016/17 TOTAL (inc VAT) (£)	2016/17 Changes %	2016/17 Changes (£)	Portfolio
• Provisional Statement	1,500.00	1,500.00	N	0.00	1,500.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Transfer	712.00	712.00	N	0.00	712.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Reinstatement	712.00	712.00	N	0.00	712.00	0.00%	0.00	Cooperatives & Neighbourhoods
ADULT GAMING CENTRE								Cooperatives & Neighbourhoods
• New	1,750.00	1,750.00	N	0.00	1,750.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Annual Fee	800.00	800.00	N	0.00	800.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Variation	800.00	800.00	N	0.00	800.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Provisional Statement	1,600.00	1,600.00	N	0.00	1,600.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Transfer	950.00	950.00	N	0.00	950.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Reinstatement	950.00	950.00	N	0.00	950.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Notification of change	50.00	50.00	N	0.00	50.00	0.00%	0.00	Cooperatives & Neighbourhoods
DISTRIBUTION OF FREE PRINTED MATTER								Cooperatives & Neighbourhoods
• Daily Licence	60.00	60.00	N	0.00	60.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Quarterly Licence	220.00	220.00	N	0.00	220.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Yearly Licence	440.00	440.00	N	0.00	440.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Additional Badge	15.00	15.00	N	0.00	15.00	0.00%	0.00	Cooperatives & Neighbourhoods
• Replacement Badge	15.00	15.00	N	0.00	15.00	0.00%	0.00	Cooperatives & Neighbourhoods

Exclusions**Building and Development Control**

A review of the fees is carried out annually based on previous years performance. The trading element of the service can not make a profit over a 3 year period.

Markets

Market Shop rentals along Albion St and Henshaw St. These will be reviewed in line with the agreed rent review dates

Hoardings rental

The increase has to be in line with each individual agreement

Leased out buildings

To be reviewed in line with lease agreement

Care Charges

These form part of the Adults Social care charging policy.

OCLL

OCLL charges for Swimming Pools and recreation facilities have been excluded from this report as they set their own fee levels.

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PAY POLICY STATEMENT

INTRODUCTION AND PURPOSE

1. Under section 112 of the Local Government Act 1972, the Council has the 'power to appoint officers on such reasonable terms and conditions as the authority thinks fit'. This Pay Policy Statement (the 'statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38 to 43 of the Localism Act 2011.
2. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding teaching and other school staff working for the local authority under the purview of the School Governing Body) by identifying;
 - the methods by which salaries of employees are determined;
 - the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
 - the Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

PUBLICATION

3. Our statement will be reviewed and prepared for each financial year and will be approved by the full Council usually by the end of March each year or at the earliest Council in the financial year for which it applies. It will be published on our website as soon as it is reasonably practicable following any amendment and approval.
4. Alongside this Statement will be full details of all senior employees in the Council (excluding teachers and school based staff) that have a salary over the threshold outlined in the Localism Act 2011 and any associated Codes of Practice, including the Local Government Transparency Code 2014. The Pay Policy Statement will be linked to Council's Annual Statement of Accounts where we are required to publish the full time equivalent salaries of at least £50,000 per annum.

OTHER LEGISLATION RELEVANT TO PAY AND REMUNERATION

5. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006. The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly

establish the relative levels of posts according to the requirements, demands and responsibilities of the role.

PAY STRUCTURE

6. The Council uses the nationally negotiated pay spines, with a defined list of salary points (see appendices for Oldham Council's grading structure) as the basis for its local pay structure, which determines the salaries of the majority of its non-schools workforce, together with the use of locally determined grades where these do not apply.
7. The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national pay spines. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.
8. Salaries for employees under the National Joint Council (NJC) terms and conditions (Green Book), who are the majority of staff at Oldham Council, are determined by the points score through the appropriate job evaluation scheme. For employees within grades 1 to 10, this has been through the NJC Job Evaluation Scheme. Employees on senior management grades have been evaluated with the HAY Scheme, widely used nationally for evaluating senior jobs. Single Status, to harmonise former officers and former manual workers, was implemented on 1 January 2011.
9. In determining its grading structure and setting remuneration levels for any posts which fall outside its scope, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times when those services are required.
10. New appointments will normally be made at the minimum of the grade for the relevant pay scale, although this can be varied where the successful candidate is currently on a spinal column point/salary that is higher than minimum of the grade/salary of the job being recruited to. Where this occurs it is within the discretion of the Executive Director, as per the Council's Scheme of Delegation, to make the appointment above the minimum of the pay scale.
11. From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capability. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate.

SENIOR MANAGEMENT REMUNERATION

12. For the purposes of this statement, senior management means 'chief officers' as defined within the Localism Act. This includes the Chief Executive and all senior

management posts on Joint National Council (JNC) Chief Officer Terms and Conditions of Employment. The posts falling within these definitions are set out in Table 2 of the Appendices, with details of their basic salary.

13. Chart 1 shows the organisational chart of the job roles set out in Tables 1 and 2, which are linked through the use of common job titles and a number referencing system. Table 2 shows the grade, type of contract, salary, allowances, responsibilities, budget held and number of staff directed by the senior managers that are covered within the scope of this exercise.
14. It is the policy of the Council to establish a salary for each Chief Officer post that is sufficient to attract and retain an employee with the appropriate knowledge, experience, skills and abilities that are needed, at that time, by the Council.
15. The arrangements and factors considered in determining an individual's progression through the relevant grade pay scale are set out at the time of appointment, with the individual 'Chief Officer'. If a cost of living increase is awarded to JNC Chief Officers through national collective bargaining then it is fully applied at that time.
16. Where the Council is unable to recruit chief officers, or there is a need for interim support to provide cover for a substantive chief officer post, the Council may, where necessary, consider engaging individuals under a 'contract for service' rather than making a temporary appointment. These individuals will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money in securing the relevant service. In assessing such it should be noted that in respect of such engagements the Council is not required to make either pension or national insurance contributions for such individuals. The contractual arrangements for each of our Chief Officers are highlighted within Table 1.

RECRUITMENT OF CHIEF OFFICERS

17. The Council's procedure with regard to recruitment of Chief Officers is outlined within Part 4, Officer Employment Procedure Rules within the Council's Constitution and is undertaken by a Selection Committee. There is a copy available on the Council's website to view for further details.
18. When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own Equal Opportunities, Recruitment and Redeployment Policies as approved by the Council.
19. When recruiting to a Chief Officer vacancy the Council may engage a recruitment agency to provide external objectivity to the process. In that event, the agency may be used to: determine the market rate for the role, in the market quartile we wish to compete in at that time; generate interest in the role from potential applicants from inside and outside the sector; conduct the long listing exercise; co-ordinate any personality testing, group and technical exercises; conduct the short listing exercise with members of the Selection Committee and facilitate the interview sessions, providing a technical advisor to the interview panel when necessary.

20. The selection of a Chief Officer is made by a panel of Elected Members, the Selection Committee, who have delegated authority to appoint through the Council's Scheme of Delegation. The only exception to this is the appointment of the Chief Executive (Head of Paid Service) whose appointment has to be recommended to and approved by full Council. The Selection Committee are supported by the line manager of the post being recruited to and/or advised where necessary by a technical adviser on the service area as well as by People Services.
21. Full Council will consider the case for any salary in excess of £100,000, prior to any appointment to the 'Chief Officer' posts that it relates. The salary package will be defined as basic salary, any performance related pay, fees, routinely payable allowances and benefits in kind, that are due under the contract.

ADDITIONS TO SALARY OF CHIEF OFFICERS

22. With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory performance, which is assessed on an annual basis, the level of remuneration is currently not variable dependent upon the achievement of defined targets. Progress through grades for all employees including Chief Officers, has been temporarily suspended due to a variation to terms and conditions outlined later in this policy.
23. To meet specific operational requirements it may be necessary for an individual Chief Officer to temporarily take on additional duties to their identified role. The Council authorises such additional payments relevant to those duties through the Selection Committee.
24. Some Chief Officer posts carry additional payments. These additional payments are supplementary to basic salary and may represent a contractual obligation. The amounts are shown in Tables 1 and 2 and the reasons for the additional payments, are stated in Table 1.
25. The Chief Executive's salary does include payment for local election duties and no additional payment is made for those duties. Separate payments are received for any returning officer duties arising from parliamentary and European elections and referendums. It should be noted that payments for such elections are not funded by the Council.

PENSION CONTRIBUTIONS

26. Where employees have exercised their statutory right to membership of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Greater Manchester Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current rate, set at April 2015 is 18.20%. The employee contribution rates, which are defined by statute, are currently 5.5% to 12.5% depending on the level of annual salary.

27. Oldham Council has a flexible retirement scheme which is run in accordance with the Local Government Pension Scheme and Regulation 18 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (SI 2007/1166) as amended by the Local Government Pension Scheme (Miscellaneous) Regulations 2012 (SI 2012/1989).

PAYMENTS ON TERMINATION

28. The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, mirrors the policy applied to all staff in the Council (excluding teachers, where there are different pension arrangements) and is covered within the redundancy policy, in accordance with regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulation 12 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. A link to Oldham Council's Redundancy policy can be found in the appendices.
29. Any payments falling outside these provisions or the relevant periods of notice within the contract of employment shall be subject to a rigorous risk assessment, as they would be for any member of staff within the Council and a formal decision will be made by the Director of People and the Director of Legal Services of the Council.

LOWEST PAID EMPLOYEES

30. Oldham Council is committed to tackling positively the socio-economic and health inequalities associated with low pay. Since April 2012, the Council has implemented a Local Living Wage initially of £7.11 per hour, increasing to £7.24 per hour in April 2013 and then, from April 2015, to £7.86 per hour in accordance with the National Living Wage for 2015. The Council retains this commitment subject to an ongoing financial impact assessment.
31. Full time hours at Oldham Council are 36 hours and 40 minutes per week.
32. The relationship between the rate of pay for the lowest paid and the Chief Executive is determined by the processes used for determining pay and grading structures, as set out earlier in this policy statement. This relationship is expressed as a ratio in Table 3, which also shows the multiple between the median full time equivalent earnings and the earnings of the Chief Executive. Oldham Council has a commitment that the ratio between its highest earner, the Chief Executive and those who are the lowest paid, on the National Living Wage, will not exceed 1:11.
33. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

GENDER PAY GAP

34. The Council publishes information on the difference in average salaries between male and female employees in Table 4. Information is split by terms and conditions of service and grouped into grades in addition to an overall figure for the Council. The Council is committed to reducing the overall gender pay gap between female and male employees, even though nationally the gender pay gap is greater at than that which applies within Oldham Council.

TEMPORARY VARIATION TO TERMS AND CONDITIONS OF SERVICE

35. As part of the Council-wide budget saving programme, Cabinet have agreed to a number of measures including some elements which temporary vary the terms and conditions of service for employees at all levels of the Council. The measures include a deduction to salary of 1.15%, which is equivalent to three days unpaid leave. The figures quoted above regarding the hourly rate of our lowest paid employees is inclusive of this deduction.
36. There is also a temporary freeze on incremental progression through grades, so employees will remain on their current spinal column point as of 30 March 2014 through the variation period. All of these temporary variations will end on 31 March 2017, and employee terms and conditions of service will revert back to their substantive form.

ACCOUNTABILITY AND DECISION MAKING

37. In accordance with the constitution of the Council, the Selection Committee is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to Chief Officers. Accountability and decision making for all other employees of the Council is the responsibility of Executive Directors through the Scheme of Delegation.

RE-EMPLOYMENT / RE-ENGAGEMENT OF FORMER EMPLOYEES

38. Oldham Council has an obligation to ensure that it is managing public monies responsibly against any requirements to achieve savings and reductions in posts through voluntary or compulsory redundancy, efficiency release or employer consent retirement which results in a cost to the Council.
39. The Council will not re-engage ex-employees who have left their prime employment with the Council on the grounds of voluntary or compulsory redundancy, efficiency release or employer consent retirement (where there is a cost to the Council) for a period of 12 months with effect from the date of leaving. This policy does not cover those employees who access their pension via the Council's Flexible Retirement Scheme.

Council

Liberal Democrat's Budget Amendment Proposals 2016 /17

Portfolio Holder: Deputy Leader of the Main Opposition, Liberal Democrat Group, Councillor John McCann

Officer Contact: Mark Stenson – Head of Corporate Governance

24 February 2016

Reason for Decision

The report presents to the Council the Liberal Democrat's Amendments to the Administration's Budget proposals for 2016/17 and offers some practical suggestions whereby the Council can begin work now to achieve needed efficiencies in future financial years.

Executive Summary

The report presents to Council a number of budget amendments to those already presented for the financial year 2016/17.

The Local Government Finance Settlement confirmed the need for the Council to make significant savings and the expectation that councils will implement future increases to Council Tax from the financial year 2016/17. The national proposal to allow councils to increase Council Tax by 2% for the expenditure to be spent on Adult Social Care agreed in the Administration Budget is therefore supported as previously stated by the Liberal Democrats at full Council.

This report also proposes a number of individual budget amendments which can be considered individually or collectively made possible by increasing the Council Tax by a further 1.70% as set out in the Administration Budget. It is proposed that a proportion of the extra income generated from this extra Council Tax of 1.70% (estimated at £1.288M) is used on specific expenditure where our citizens can see the direct benefits of the extra tax they are being expected to pay within their communities. The additional income to the Council from the Council Tax increase is proposed to be used as detailed below:

- Using £80k of this money to re-instate the current Inspection and Enforcement regime operated by the Council which budget option B003b currently proposes to

reduce. This has been referred back to Cabinet twice, by Overview and Scrutiny Performance and Value for Money Select Committee.

- Investing in increasing the present gully emptying capacity of the Council. Recent events both nationally, locally and over a number of years have shown a perception that properly cleaned gullies can prevent localised flooding and provides local assurance that councils are being proactive in flood prevention. The second Liberal Democrat budget amendment proposes to invest £130k to enhance the present gully emptying. This will support the creation of two additional gully emptying teams operating an extra vehicle to improve Council resilience in this area.
- Removing the present charges introduced to support the 2014/15 budget in respect of introducing charging for Bulky Waste. The expected increase in cost of this proposal is £210k which is a combination of the potential contract costs and disposal cost changes (as more collections are undertaken), and also no income as the service will be free. This is in line with Liberal Democrat priorities to make our communities cleaner.
- The fourth budget amendment put forward by the Liberal Democrat's using the 1.70% increase in Council Tax is to distribute (£800k) to the 20 individual wards which can be spent as part of District Plans and priorities. This will enable each individual Ward Member, who reflects the views of their local communities, to have more financial independence collectively to spend funds on agreed local priorities such as Youth Outreach work. It reflects the principle of giving greater financial flexibility to local areas and local leaders spending a total of £1M.

In total the budget amendments proposed will utilise £1.220M of the extra £1.288m Council Tax generated from the 1.70% increase in Council Tax. In order to free up extra resources within the budget a review of the individual areas the Administration is proposing to invest extra resources for 2016/17 has been undertaken. This has identified £1.103M of proposed expenditure which would effectively have been financed by the extra Council Tax which these budget amendments are not proposing to finance.

The report also identifies a number of efficiency savings totaling £416k. A proportion of this will be invested to fund the small shortfall identified in investing an overall amount of £1M to District Budgets. It will also be invested to fund an investment in the road network proposed to be £5.000M in 2016/17. This will be determined by the condition of both footways and carriageways following detailed consultation with the relevant District Executives.

The report also highlights the importance of long term strategic planning, identifying opportunities to make savings for the Council, where work can start early to support these initiatives. Four areas where the Liberal Democrats have identified where potential savings could be achieved in future years include:

- 1) Reviewing the overall number of Councillors and hold elections every two years.
- 2) Deferring the Heritage Centre and Oldham Coliseum capital project for two years to save capital financing charges and allow due diligence of the financial sustainability of the project.

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- 3) Changes to Waste Collection regime to increase recycling rates and cost avoidance against the Waste Disposal Levy.
 - 4) Reducing the cost of staffing in a number of areas by beginning work now to generate required efficiency savings in 2017/18 which will assist the Council in balancing its budget. This is to be incentivised by proposing some small reductions in staffing budgets within the 2016/17 proposals.

Recommendations

That Council agree the following individual budget amendments for the financial year 2016/17:

- 1) Reinstate the funding proposed on budget saving B003b by not reducing the present staffing levels of the Neighbourhoods Enforcement Team. This is to be funded from the extra Council Tax raised by implementing a 1.70% increase on top of the Council Tax increase for Adult Social Care.
- 2) Implementing the introduction of two additional Gully Emptying Teams within the Borough to improve the Council's future resilience to flooding. This is to be funded from the extra Council Tax raised by implementing a 1.70% increase on top of the Council Tax increase for Adult Social Care.
- 3) Remove the present charges for Bulky Waste collections to provide the service for free to all residents of the Borough. This is to be funded from the extra Council Tax raised by implementing a 1.70% on top of the Council Tax increase for Adult Social Care.
- 4) A sum of £800k financed from a combination of the increased council tax increase of 1.70% and additional proposed budget amendments reducing expenditure around staffing, reduced energy charges and reduced spend on publications be allocated at an overall level £50k per ward (overall total £1M) to enhance District Executive Revenue Budgets.
- 5) The operational savings in this budget amendment report are agreed for implementation in the 2016/17 Council budget.
- 6) The agreed savings in this budget amendment report be utilised to fund a capital investment programme on highways totaling £5.000M in 2016/17 and £1.650M in 2017/18.

That Council consider the following savings in future financial years:

- 7) Reviewing the present number of Councillors at the present level of 60 and hold elections every 2 years.
- 8) Deferring future capital expenditure on the Heritage Centre and Coliseum project for 2 years to save capital financing charges.
- 9) Consider introducing revised waste collection arrangements in the future to improve recycling and reduce waste disposal costs.

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- 10) Ensure managers are held to account for implementing the agreed policies and procedures within the Council such as the Appeals Process to generate efficiency savings in staffing budgets.

Budget Amendment Proposal 2016 /17

1 Background

- 1.1 Funding to Local Government continues to be cut, with the requirement for the Council to make overall savings of £16.044M in 2016/17 as set out in the Administrations report. The Administration has presented three tranches of budget proposals, with two ratified by Council, advising on how it proposes to deal with the budget gap in 2016/17.
- 1.2 The Liberal Democrats recognise the tough choices that must be made to deal with the financial pressures the Council faces and accept all the Administration's savings proposals as being reasonable apart from budget option B003b. The option was considered in Tranches 1,2 and 3 with a specific suggested budget amendment for the budget to be reinstated as detailed for consideration in this report.
- 1.3 We recognise the challenging environment in which Local Government operates. It has been confirmed in the 2016/17 Final Settlement that this Council will continue to see year-on-year reductions in its funding base. The impact of the Greater Manchester devolution agenda is still emerging, with responsibilities for health and social care included in the devolution deal for Greater Manchester. There are also national financial pressures outside to consider in this area such as the National Living Wage. As such the proposed increase in Council Tax at 2% ring fenced to support Adult Social Care is accepted.
- 1.4 To ensure the Council meets its objectives to its residents we have put forward a number of budget amendments to the Administration's Budget linked into a proportion of the extra recurring resources the Council would generate from increasing its Council Tax by 1.70%. This will generate extra estimated Council Tax income of £1.288M during the financial year 2016/17 to the Council. We have also identified some extra savings to those proposed by the administration and are proposing to utilise both sources of funding in a number of budget amendments as set out in this report to benefit our citizens.
- 1.5 As we have always done in both National and Local Government, we will face these challenges head-on, suggesting budget amendments which minimise the impact on those who can't look after themselves and reflects our commitment to local people having the capacity to influence local issues.

2 The Local Government Finance Settlement

2.1 Settlement Core Funding

The Final Local Government Finance Settlement was made available to councils on 8th February 2016. Within the final allocation, the Government is providing more protection than originally envisaged for those Council's providing Adult Social Care and Children's Services. The impact on the Council is that it will receive more Revenue Support Grant than originally forecast. This has the impact of reducing the overall level of savings required, funding new burdens and allows funding to offset

possible financial pressures currently being reported in the financial monitor reports. These have been set out in the various budget reports considering budget matters. In relation to Council Tax, the Settlement confirms the abolition of the Council Tax Freeze Grant and the potential to increase Council Tax to 3.99% (2% for Adult Social Care and 1.99% for Council use) before triggering a local referendum.

2.2 Council Tax (Adult Social Care Precept)

The Settlement has conferred on councils the ability to increase Council Tax by 2% to generate an Adult Social Care precept. This additional funding must be ring-fenced to support expenditure on Adult Social Care. Certain financial pressures in this area have been caused in part by the Government's move to introduce the National Living Wage and new legislative requirements. The Government in calculating Core Spending Power for all authorities has assumed this increase will be levied. In Oldham such a levy will raise an extra £1.515M to finance an estimated £2.700M of cost for introducing the National Living Wage within the care sector. As such, the Liberal Democrats are supportive of increasing Council Tax by 2% to fund Adult Social Care within Oldham.

2.3 Abolition of Council Tax Freeze Grant and Potential to Increase Council Tax

The Settlement identified the Council will not receive the £0.926M of Council Tax Freeze Grant it originally envisaged it would receive. The settlement gives the Council the option to raise Council tax by an additional 1.99% which would raise an extra £1.508M in Council Tax without capping. The inference in the Final Settlement is that the Government expects a significant proportion of councils to increase their Council Tax by up to a further 1.99% as direct government grant is reduced year on year.

2.4 Notification of Grants and Levy's since Budget Amendment Report to Overview and Scrutiny Performance and Value for Money Select Committee (PVFM)

Since the Budget Amendment Report was considered on the 2nd February there have been 4 key notifications on the budget:

- The Public Health Grant Notification has been received for two financial years. This confirms the grant reduction for 2016/17 and 2017/18 is in line with Council projections.
- The Waste Levy has been agreed by the Waste Authority at its meeting on the 12th February 2016. The expected contribution from Oldham has reduced by £676k. The use of this to offset reserves currently programmed to be used to support the base budget for 2016/17 and manage the volatility of this budget (an increased charge has been made for waste disposed as evidenced in the latest budget monitor report) is supported.
- A specific grant of £181k to support Special Educational Needs as a specific grant. This grant is aimed at funding the early identification of the special educational needs of children and young people, making it easier for families to receive the support they need. Funding was not originally assumed for 2016/17, and it is proposed to passport this grant direct to the service as happened in 2015/16 when a grant of £160k was received.

- The provisional allocation for the grant to support the Independent Living Fund is £828k above that estimated. The allocation is offset by a reduction in £324k on the amount of Education Services Grant estimated. As this £504k estimate of resources is only provisional at this stage it is not proposed to utilise the extra resources in this budget report.

2.5 Overall Estimated Provisional Financial Position of Council

The overall improved financial position of the Council from the Final Local Government Finance Settlement is detailed in the table below. Overall the Council has additional funding of £5.093M available and as such does not need to find additional budget reductions of £1.955M to fund the previously expected budget gap. As the table below highlights a 1.70% increase would generate an additional £1.288M in Council Tax. Without the increase in Council Tax of 1.70% the Council would only have net extra resources of £3.805M to support the budget.

Table 2.5.1 - Changes to funding after the Provisional Local Government Finance Settlement

Changes to funding after the Provisional Local Government Finance Settlement	Previous Estimate £M	Latest Estimate £M	Variance £M
Central Government Grants - Settlement	10.956	10.465	(0.491)
Small Business Rates Relief Grants	1.369	1.508	0.139
Provisional Settlement Funding Assessment	93.338	99.140	5.802
Council Tax Increase of 1.70% for use on Council Initiatives	0.000	1.288	1.288
Precept from Collection Fund without the Council Tax Increase of 1.70%	76.485	75.785	(0.700)
Overall Council Tax for Council Use	76.485	77.073	0.588
2% Adult Social Care Precept	0.000	1.515	1.515
Parish Precept	0.239	0.245	0.006
Collection Fund Surplus	0.196	0.196	0.000
Total Change to Council Resources	182.583	190.142	7.559
Parish Precept ring-fenced to Parishes	0.239	0.245	(0.006)
Pay Award	0.917	0.950	(0.033)
Adult Social Care Living Wage	0.600	2.700	(2.100)
Change to Budget	1.756	3.895	(2.139)
Adjustment to the Base Subject to Consultation			(0.508)
SEND Grant Passported for Special Needs			0.181
Net additional Funding			5.093

2.6 Further Expenditure Pressures and Opportunity for New Investment

Since the budget reduction target was revised other finance pressures have arisen which it is proposed can be financed by these funds as set out in the Administration's Report of 21st January 2016.

In preparing this report, the Liberal Democrats have ranked these pressures using a Red, Amber and Green rating system in order to assess which budgets it is believed should get funding in line with the priorities and interests of residents. Red indicates those investments classed as a high priority which warrant investment, Amber as a medium priority which warrant investment if resources are available and Green as Low priority indicating budget investment should be made elsewhere. It has also provided the opportunity to introduce four proposed budget investments into this exercise:

- reinstating the present level of Inspection and Enforcement regime;
- Introducing an extra Gully Emptying Team;
- Removing the Charges for Bulky Waste introduced in the 2014/15 budget; and
- An increase in District Executive budgets which are to be funded specifically from the extra resources available from an increase in Council Tax of 1.7% and operational savings.

Further rationale for these being high priority for investment are detailed in sections 3.1, 3.2, 3.3 and 3.4 of this report.

Table 2.6.1 – Prioritisation of Directorate Pressures

Directorate Pressure	Financial Impact £'000s	Priority
Corporate		
Reduced Savings Target	1,955	HIGH
Health and Wellbeing		
Social Worker Retention	91	HIGH
Social Care Redesign	380	HIGH
Deprivation of Liberty Safeguarding	375	HIGH
Early Help	375	HIGH
Children's Social Care Commissioning	200	HIGH
Reduction in Public Health Grant	0	LOW
Neighbourhoods and Cooperatives		
Reinstate Inspection and Enforcement	80	HIGH
Gully Emptying	130	HIGH
Remove Charging for Bulk Waste	210	HIGH
Increased in District Executive Budgets	800	HIGH
Economy and Skills		
Early Years Commissioning	183	HIGH
School Places and Commissioning	150	HIGH
Car Parking Income	0	MEDIUM
Market Rental Income	0	MEDIUM

Special Educational Needs Grant – Local Ringfencing	181	HIGH
Corporate and Commercial		
Coroners Services	100	HIGH
Total high priority financial pressures and areas for investment	5,210	

In this budget amendment report it is recommended that the high priority financial pressures are fully funded from the improved financial resources available of £5.093M. This will reduce the support given by the Council to Public Health, the shortfall in car parking income and proposal to review charges on markets as proposed in the Administration’s budget. The Public Health Grant spend should correspond to the amount of grant received, whilst the pressures on both car parking and market rental income which it would have been agreed to fund if the resources were available should be managed by the Directorate. The extra £117k cost of these proposals as against the overall finance available will be financed from proposed savings identified elsewhere as detailed in paragraph 3.5 of this report.

3 2016/17 Detailed Proposals

We are proposing a number of specific budget amendments to be considered by Council Members this year. The options are split into areas of particular interest, where we feel savings can be achieved and where investment will benefit Oldham and its residents. The options can be implemented either on their own, or as the full package. A proportion of the investment is to be financed from the 1.70% increase in Council Tax.

3.1 Reinstatement of Budget Option B003b – Maintain Current Inspection and Enforcement Regime

We are proposing to reinstate the three Enforcement Officers included within Tranche 3 budget reduction, at a cost of £80k, which the Administration has proposed as savings budget option, B003b. We believe that detection and enforcement needs to lead the way in tackling fly-tipping and littering which actually results in increased costs elsewhere in the Council. Poor street cleanliness does not assist regeneration, pride in the local area by residents and portrays a poor image of Oldham. Cleaning up fly-tipping can result in a substantial cost to the Council. It is therefore more cost effective to be proactive as a Borough and continue to invest in employing these three Enforcement Officers rather than be reactive. This can be funded from the additional resources generated by the proposed 1.70% increase in Council Tax.

3.2 Investment in Gully Cleaning Teams

The recent weather conditions, resulting in extreme flooding shows the importance in having places where water can disperse quickly and these are maintained throughout the year.

Investing in the Gully Cleaning service is vital to assist with the prevention of localised flooding and erosion to the Highway infrastructure. This budget therefore

proposes to provide funding to support two additional gully cleaning teams, at an estimated cost of £130k per annum. This will allow two teams to work cyclically cleaning gullies across the borough, and another team to work reactively, ensuring any unforeseen issues are dealt with quickly. Through the efficient use of one vehicle by both teams working on a shift basis, the cost to the Council of this investment can be minimised and funded through utilising the additional funding available to the Council, as generated by the proposed 1.70% increase in Council Tax.

3.3 Re-instate the Bulky Waste Service at no Cost

This budget amendment proposes to spend £210k on abolishing the charges introduced in the 2014/15 budget for bulky waste collection. The measure was introduced with savings of £210k attached to the initiative, including changes in costs and income generation. The improved financial position of the Council for the financial year 2016/17 offers the opportunity for the Council to revisit this decision. This has been made possible by the Council having the flexibility to generate an extra 1.70% increase in Council Tax.

3.4 Increase Devolved Budget for Each Ward

Members have seen a reduction in the Devolved budgets for each ward by the current Administration. We are proposing as a budget amendment to support an increased in Devolved Budgets by £40k per ward (£800k extra in total) funded by the increase in council tax of 1.70%, to allow Members too collectively and co-operatively target towards priorities excluding highway schemes within their wards. This will be further supported by savings identified in paragraph 3.5 of this report.

3.5 Additional Operational Savings

To manage the financial challenges Local Government faces, we must look at alternative ways to deliver services whilst ensuring we meet our statutory duties. Whilst we support the majority of savings proposals put forward by the Administration, we feel there are further areas which should be explored.

Street Lighting

The five year investment in new street lighting across the borough through the PFI contract with E.ON will be completed in July 2016. Following a successful trial of dimming street lighting further in pilot areas, we would like to build on this quickly, carrying out risk assessments to determine where street lighting across Oldham can be dimmed safely and roll this out. This would achieve savings in energy costs, whilst still providing residents with street lighting throughout the night without compromising their safety. We acknowledge there is a risk to decreasing lighting levels, and would ensure public perception about a reduction in safety levels is managed by working closely with officers and residents to minimise the risk. There is also an opportunity to review whether street lighting is required at all in certain areas. Although minimal street lighting was installed in rural parts of Saddleworth, replacing the same number of street lights, there are some areas lit by street lighting for areas not inhabited. It is therefore proposed for a review to start across

Oldham to assess where street lighting is not required, along with a risk assessment to evaluate the impact. This will provide potential future savings.

Lifelong Learning

The Lifelong Learning service is predominantly funded by the Skills Funding Agency and European Social Fund. The service also charges for courses, dependent on the course and concessionary status of the learner. Although we fully support the Lifelong Learning service, providing residents with opportunity to improve their employment skills, we feel there is an opportunity to achieve greater external funding for the service. We are therefore proposing an increase in the income target for the service of £25k.

Publications

We feel the Council could make further savings through a reduction in non-essential expenditure. The printing and distribution of Council publications, including the Borough Life, Family Life and Council Tax Leaflet, could be stopped. We have a statutory duty to provide Council Tax information and recognise that savings have already been made by reducing the size of the Council Tax leaflet, however further savings could be achieved by utilising other communication methods. This would eliminate the cost of printing. Internal communication and events within the Council could also be reduced, and would generate a further savings to the Council.

Subscriptions

Savings could be achieved within the Council through a 10% reduction in conference and subscription budgets. By restricting budgets, we feel a saving of £9K can be achieved across the Council.

Sickness

The estimated average sickness level for an employee in Oldham for the financial year 2015/16 is estimated to be 9.69 days per Full Time Equivalent. This is estimated to have a notional cost of £2,304k to the Council. For 2016/17 and 2017/18 if 8 days average absence was achieved, the expected notional saving would be £402k. In budget terms it is recognised that reducing sickness does not always lead to cash saving. The cash savings relates to where agency staff are used to backfill for members of staff who are off sick. The budget amendment proposed for 2016/17 is to reduce actual budgets by a notional saving relating to agency costs, which equates to £13K in year. For 2017/18 it is proposed to allocate the same level of cashable saving i.e. £13K.

Trade Union Support

The current arrangement for the facility to provide support to the non-teaching trade unions was reviewed in 2015 as a two year agreement. The net cost of this support is estimated at £142k in 2015/16. The Final Local Government Finance Settlement gives the Council certainty that its resources are going to reduce over the next four years as the amount of direct grant is reduced and the Council becomes more dependent on the revenue that it can generate locally. The

agreement recognises that an earlier review can be undertaken, amongst other things, to reflect the budgetary position of the Council. As the Council has certainty about its future financial position which are likely to result in continued reductions to staffing it is recommended these negotiations are began earlier than set out in the agreement. Overall it is proposed to set a target for the Council to save £40k over 2 years in this area. In order to incentivise the Council to instigate this work early it is proposed to reduce the budget by £10k in 2016/17.

Consultancy / Agency

It is proposed to instigate a detailed review to reduce the present use of Consultancy and Agency Staff within the Council. Within these proposals a modest target of £50k has been set for the two years between 2016/17 and 2017/18. In order to incentivise the organisation to undertake this work as a priority a saving of £10k has been set up for 2016/17.

Review of Communications

A review of the Communications Service has identified the potential to save £60k in the service by restructuring and efficiencies.

Expand Budget Option D019 on the realignment of Supplies and Services Budgets to Save 1% in Total to all Directorates

Budget Option D019 sets out an option to save £292k from supplies and services within the Economy and Skills Directorate. This will be done by a targeted approach within the Directorate. There has been one further proposal C014 within People Services to reduce non staffing budgets. It is proposed to adopt this principle to those other Directorates and Service Areas which have not put this forward as a budget option. This is expected to generate additional savings of £106k in 2016/17.

A summary of the operational savings identified is detailed in table 3.5.1 below.

Table 3.5.1 – Summary of Operational savings identified

Ref	Brief Description	2016/17 £'000s	2016/17 FTE	2017/18 £'000s
ALB SAV1	Savings through more efficient street lighting	(90)	0	0
ALB SAV2	Increase external income generated by Lifelong Learning	(25)	0	0
ALB SAV3	Savings through reducing Council publications and internal communications	(93)	0	(10)
ALB SAV4	Savings through reducing newspapers, periodicals, subscriptions and conference expenditure across the Council by 10%	(9)	0	0

ALB SAV5	Reduction in sickness levels by the Council in applying its existing rules and procedures	(13)	0	(13)
ALB SAV6	Review the cost to the Council of Trade Union support in light of an ever decreasing workforce	(10)	0	(30)
ALB SAV7	Review the use of Consultancy and Agency Staff	(10)	0	(40)
ALB SAV8	Reduction in Communication and Marketing by restructuring and efficiencies reduction in staffing.	(60)	0	0
ALB SAV9	Reduce expenditure on supplies and services to all Directorates which is an expansion of Budget Saving D019.	(106)	0	0
	Total savings proposals	(416)	0	(93)

3.6 Increase Devolved Budget for Each Ward and Invest in Highways Maintenance Programme

Members have seen a reduction in the Devolved budgets for each ward by the current Administration. We are proposing as a budget amendment to use an element of the operational savings identified to support an increased in Devolved Budgets by £50k per ward in total, to allow Members collectively and co-operatively target towards priorities within their wards. This requires a contribution of £102k from the operational savings required.

It is also proposed to invest an extra £5.000M in 2016/17 and a further £1.650M in 2017/18 on a targeted programme of capital works to improve the highways network of both footpaths and carriageways within the Borough. Local Leaders and Highways Officers will work together to prioritise areas within District Executives and devise a programme. This level of investment is in addition to that proposed in the Capital Strategy and Capital Programme 2016-2021. It is set at such a level that it will not adversely impact on the Treasury Management Indicators of the Council are included in the Treasury Management Strategy report elsewhere on the Agenda.

Table 3.6.1 – Summary of Budget Amendments financed by increase in Council Tax and Operational Savings

Ref	Brief Description	2016/17 £'000s	2016/17 FTE Reductions	2017/18 £'000s
ALB INV1	Enforcement in the Borough be maintained to counteract activities such as litter, dog-fouling, fly tipping and similar matters	80	0	0
ALB INV2	Investment in extra gully cleaning teams within Highways Operations	130	4	0

ALB INV3	Remove charging for Bulky Waste collections- working in partnership with Enforcement	210	0	0
ALB INV4	Increase in District Executive Ward Budgets to help Local Leaders decide priorities within their areas	800	0	0
ALB INV5	Increase Investment on the Highways Network with a detailed programme to be devised by Local Leaders and Highway Officers	293	0	97
	Total Cost of Proposed Budget Amendments	1,513	4	97
	Funded by			
	Reprioritisation of resources	(1,103)		0
	Operational Savings identified	(416)		(93)
	Overall position	(6)		4

3.7 Proposals

Further details for all the budget proposals set out in this report are included in Appendix A of this report.

4 Future Year Proposals for Savings

4.1 Reduction in Councillors

As put forward for a number of years, we feel strongly that the number of Councillors for each ward should be reviewed. The developments around devolution it is expected to increase the pressure for this review. This proposal reflects public opinion, repeatedly expressed in consultations and the press, and on our past submissions has the potential to generate a saving of at least £187k. We consider that modern communications, the provision of paid caseworkers and a much reduced number of committees has reduced the workload on Councillors. As the proposal would require a legislative change and consideration of the proposals and recommendations arising from an Electoral Review, which we expect to take 18 months, the earliest opportunity the proposal could therefore be implemented would be May 2017. This also would be consequent upon recommendations from the review reducing the number of Councillors. However, as there are no planned elections in May 2017, it would not be until the elections in May 2018 that the proposal could start to take effect.

As this falls outside of the two year budget setting process, we are recommending that this option is considered for future years.

4.2 Capital Programme

The Capital Programme for the Council envisages capital expenditure on a number of major regenerations schemes within Oldham Town Centre. Whilst we support the regeneration of Oldham Town Centre, it must be ensured that projects are managed effectively to provide value for money for residents and also that they are

self-sufficient and sustainable long term. We feel the Heritage Centre and Oldham Coliseum capital project would benefit from a delay of two years. The delay would allow time to review the financial models which underpin the project, firstly in terms of the financing of the project and secondly, the long term financial sustainability of the centres to support themselves. The review would also provide a financial saving to the Council over the two years, as the cost of borrowing will not be incurred.

4.3 Waste Disposal

Disposing of waste is a significant cost to the Council, and is expected to amount to £15.897m in 2016/17. The cost to the Council of waste disposal is expected to increase each year. The recycling rates of the Council play a significant factor in determining the waste disposal costs to be incurred under the Inter Authority Agreement for each member of the Greater Manchester Waste Disposal Authority (GMWDA). Recent improvements in recycling within other Districts have resulted in the levy to Oldham Council increasing as a proportion of the Waste Disposal Authority.

Increased recycling rates, will not only mitigate against the potential rising costs of waste disposal, but also benefit the environment and communities. Currently Oldham Council's recycling rate is 39%. Through the European Waste Framework Directive, UK local authorities are expected to reach a minimum recycling rate of 50%.

We see recycling as an important area which we should be investing in to create not only financial savings/future cost avoidance, but social and environmental benefits too. Other authorities have changed their waste management strategies to encourage recycling within their borough. After considering the options available, we would like to put recommend the Council prepares a business case to review its collection arrangements to encourage residents to recycle. Various methods have been implemented successfully at other Greater Manchester Councils, and this has seen increased recycling rates and a reduction in their waste disposal levy for the financial year 2015/16.

As an invest to mitigate costs initiative we would encourage this matter to be considered by the Council in 2016/17 to deliver future cost reductions.

4.4 Implement the Agreed Staffing Appeals Procedure

The Council has an agreed Staffing Appeals Procedure which according to information obtained from a Freedom of Information Request is not always followed by managers in the timescales required. Ensuring compliance by all managers in the timescales required under the appeals procedure has the scope to reduce costs in 2016/17 and in a properly structured way to generate potential budget savings for 2017/18.

5 Options/Alternatives

Ten specific budget proposals, as detailed in the recommendations to this report, are being put forward for implementation in 2016/17 and future years. This report

has been set out in such a way that these recommendations can all be accepted, accepted on an individual basis or rejected collectively.

6 Consultation

6.1 Individual Budget options proposed in this report have been subject to consultation with the relevant budget managers and are supported by appropriate budget documentation which is attached as Appendix A to this report.

7 Financial Implications

7.1 The financial implications are incorporated into the body of the report (A Ryans).

8 Legal Services Comments

8.1 N/A

9 Co-operative Agenda

9.1 N/A

10 Human Resources Comments

10.1 Any organisational changes or proposed revisions to employment policy and protocol must, individually and in detail, be routed first for full consideration then final decision as follows:

- Strategic consideration and authority to open consultations
- Strategic and early engagement with the recognised trade unions
- Inclusion, if appropriate, in a potential Section 188 notice in accordance with the Trade Union Labour Relations Act
- Release for public consultation
- Opening of formal trade union then staff consultations including directly with any individuals affected
- Council approval
- Implementation

(Dianne Frost, Director of People)

11 Risk Assessments

11.1 N/A

12 IT Implications

12.1 N/A

13 Property Implications

13.1 N/A

14 **Procurement Implications**

14.1 N/A

15 **Environmental and Health & Safety Implications**

15.1 N/A

16 **Equality, community cohesion and crime implications**

16.1 N/A

17 **Equality Impact Assessment Completed?**

17.1 These are not required for the proposals submitted here.

18 **Key Decision**

18.1 No

19 **Key Decision Reference**

19.1 N/A

20 **Background Papers**

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

File Ref : Background papers are contained in Appendix A
Officer Name: Mark Stenson
Contact No: 0161 770 4783

21 **Appendices**

21.1 Appendix A: Detailed Pro-Forma's for Budget Options

Appendix A – Budget Proposal Pro-formas

Budget Proposal Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB INV1
Portfolio	Co-operatives and Neighbourhoods
Directorate:	Co-operatives and Neighbourhoods
Division:	Environmental Health
Responsible Officer and role:	Neil Crabtree - Head of Service - Public Protection
Shadow Cabinet Member and Cluster :	Cllr D Williamson – Neighbourhoods and Co-operatives

Title:	Enforcement in the Borough be maintained to counteract activities such as litter, dog-fouling, fly tipping and similar matters.
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£316k
	Income	(£56k)
	Net Expenditure	£260k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	11.8

	2016/17 £k	2017/18 £k
Proposed Financial impact on Administrations proposals:	80	0
Proposed change in FTE's	0	0

Section 3

Background: <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>The role of Enforcement Officers is seen as a high priority in preventing fly-tipping and littering within the Borough</p> <p>It is proposed to retain the 3 additional Enforcement Officers, which the Administration has proposed to remove from 2016/17. This will allow the continued level of support for the Neighbourhood's Enforcement Team to detect and deter fly-tipping and littering.</p>
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<p><u>Proposed Budget option £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>As the Enforcement Officers generate an income from the issuing of fines, the cost of reinstating the 3 Enforcement Officers will be offset by a small potential increase in income.</p> <p>3 Enforcement Officers = £82,140 (incl. oncosts) Increase income = £2,140 Total investment = £80,000</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	N/A
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Type of impact on partners	Neutral or marginal

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Approval to reinstate Enforcement Officers	Full Council Meeting February 2016
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Enforcement Officers may leave the Council for other opportunities due to the budget proposal put forward by the Administration and the current uncertainties/delays with the decision.	If vacancies exist, recruitment will take place once the budget option is approved.

Section 5

What impact might the proposal have on the following?

<u>Property Implications</u> <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
--

N/A

<u>Service Delivery and future expected outcomes:</u>
--

The outcome of the proposal will have a positive impact on service delivery as it will continue the investment in the up keep of neighbourhoods and reduce problems of street littering and fly tipping.
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<u>Organisation (other services)</u>

The proposed investment would allow the Council to continue its commitment to a Cooperative Borough, by using enforcement as an enabler for changing person's behaviours regards littering and fly-tipping.

<u>Workforce</u>

Note: <i>Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models</i>

The proposal would see the retention of the 3 Enforcement Officers posts within the service on the same terms and conditions.

Communities

The proposed budget option would continue to benefit the community through cleaner streets and supporting the Cooperative Borough approach.

Service Users

There would be no change to the service.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/A

Section 6

Supplementary Information

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	To take place if the proposal is agreed
Staff Consultation	To take place if the proposal is agreed
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Neil Crabtree
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Budget Proposal Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB INV2
Portfolio	Co-operatives and Neighbourhoods
Directorate:	Co-operatives and Neighbourhoods
Division:	Highway Operations
Responsible Officer and role:	Craig Dale - Head of Service, Highways Operations, Waste and Fleet Management
Shadow Cabinet Member and Cluster :	Cllr D Murphy – Housing, Planning and Highways

Title:	Investment in extra gully cleaning teams within Highway Operations
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£3,818k
	Income	(£675k)
	Net Expenditure	£3,143k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	54

	2016/17 £k	2017/18 £k
Proposed Financial impact:	130	0
Proposed change in FTE's	4	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	It is proposed to invest in the financial year 2016/17 with the creation of two additional gully cleaning teams within Highways Operations to ensure gullies are effectively cleaned and maintained. This will allow two teams to work cyclically cleaning gullies across the borough in a planned manner, and another team to work reactively, ensuring any issues are dealt with quickly.
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<p>Proposed budget option £k:</p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>It is estimated to cost £128k, to provide 2 additional gully cleaning teams. By staff working on a 4 days working and 4 days non-working rota basis, this will allow one vehicle to be utilised by both additional teams, ensuring resources are efficiently and effectively used.</p> <p>4 Gully Drivers/Operatives = £97,560 1 Gully cleaning vehicle (including running costs) = £30,150 Total cost = £127,710</p>
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<p>Further Financial Implications & Considerations</p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>The increase in gully cleaning has the potential to increase the operational costs to Highways and Waste. Additional waste recovered would need to be disposed of through the Waste Disposal Levy. There would also likely be an increase in water charges for the service, as the gully cleaning vehicle would utilise water hydrants. There would also be additional staffing costs to the service for uniforms, training etc, although these costs are estimated to be minimal.</p> <p>The total cost has been increased to £130k to take into account notionally the further cost implications as detailed above.</p>
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Type of impact on partners	Neutral or marginal

Section 4

Key Milestones	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Implement budget option (recruit additional staff, hire vehicle, carry out training etc)	March 2016 onwards
Review implementation	September 2016
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

Key Risks and Mitigations	
Risk	Mitigating Factor
The benefits of the additional teams are not fully realized	Post implementation review to take place 6 months after implementation and allow changes to working models if needed.

Section 5

What impact might the proposal have on the following?

Property Implications <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
N/A

Service Delivery and future expected outcomes:
Gullies will be cleaned more frequently across the borough.

Organisation (other services)
N/A

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

4 additional employees will be recruited by the service and work a 4 days working and 4 day non-working shift pattern.

Communities

N/A

Service Users

N/A

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/A

Section 6

Supplementary Information

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	To take place if the proposal is agreed.
Staff Consultation	To take place if the proposal is agreed.
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Craig Dale
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Budget Proposal Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB INV3
Portfolio	Co-operatives and Neighbourhoods
Directorate:	Co-operatives and Neighbourhoods
Division:	Waste Management
Responsible Officer and role:	Craig Dale – Head of Service, Highway Operations, Waste and Fleet Management
Shadow Cabinet Member and Cluster :	Cllr D Williamson– Neighbourhoods and Co-operatives

Title:	Remove charging for Bulky Waste collections – working in partnership with Enforcement.
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£6,075k
	Income	(£1,306k)
	Net Expenditure	£4,769k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	72

	2016/17 £k	2017/18 £k
Proposed Financial impact on Administrations proposals:	210	0
Proposed change in FTE's	0	0

Section 3

<p><u>Background:</u></p> <p><i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i></p>	<p>Charging for bulky waste collections was introduced in 2013/14, as part of the budget process, option BWWTS 13 103. This generated a saving to the Council of £210k, through a reduction in demand for bulky waste.</p> <p>Given the Council's improved financial position, it is proposed to remove the charge for bulky waste, to assist residents in the removal of waste.</p>
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<p><u>Proposed Budget option £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>Providing free bulky waste collections across the borough will increase the demand for the service.</p> <p>The cost to the Council is therefore estimated to be £210k, taking into account the loss of income, and the potential increased contract and waste disposal costs.</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	N/A
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Type of impact on partners	Neutral or marginal

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Implement no charging for bulky waste collections	April 2016
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
A further decrease in the Council's recycling rate.	Contractor will be reminded to recycle as much waste collected as possible.

Section 5

What impact might the proposal have on the following?

Property Implications *ie closures, maintenance costs, transfer of Assets, property savings, etc*

N/A

Service Delivery and future expected outcomes:

N/A

Organisation (other services)

N/A

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

N/A

Communities

N/A

Service Users

N/A

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/A

Section 6

Supplementary Information

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	N/A
Staff Consultation	N/A
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Craig Dale
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Budget Proposal Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB INV4
Portfolio	Co-operatives and Neighbourhoods
Directorate:	Co-operatives and Neighbourhoods
Division:	Neighbourhoods
Responsible Officer and role:	Jill Beaumont - Director of Community Services
Shadow Cabinet Member and Cluster :	Cllr D Williamson– Neighbourhoods and Co-operatives

Title:	Increase Devolved Budgets for each ward from £10k to £50k
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£613k
	Income	(£0k)
	Net Expenditure	£613k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	0

	2016/17 £k	2017/18 £k
Proposed Financial Impact:	£800k	0
Proposed change in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>Currently each of the 20 wards across Oldham has a Devolved Revenue Budget for Members to meet and support priorities in their areas. It is proposed to increase the budget to £50k per ward.</p> <p>This will enable Local Leaders to decide on priorities for their areas and fund additional activities such as Youth work, Crime Prevention, Enhancing Businesses, encourage Tourism and supporting Community Groups.</p>
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<p><u>Proposed Budget Option £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>To increase the Devolved Budgets to £50k per ward, it will cost £800k.</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>Dependent on how the additional monies are allocated by Members, there is a potential to fund works through the Devolved Budgets which would have previously had to be funded and prioritised from within service budgets. This gives a opportunity to increase expenditure in local areas and work cooperatively.</p>
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Economic Impact Summary	
<p>Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i></p>	N/A
<p>Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i></p>	N/A
<p>Type of impact on partners</p>	Not Known

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Implement budget option (increasing Devolved Budgets to £60k from 1 st April 2016)	March 2016
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Members are not aware of the increased budget allocation	Once approved, appropriate communication will be issued to inform Members of the increase.
Additional funding is not utilised	It is vital that resources are allocated efficiently and effectively. Members will be expected to plan and allocate how they will utilise their funding. Arrangement will be put in place for where resources are being pooled together for future year projects.

Section 5

What impact might the proposal have on the following?

<u>Property Implications</u> <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
N/A

<u>Service Delivery and future expected outcomes:</u>
The increase in budget will allow Members to further support their wards, and the meet priorities and needs in their areas.

Organisation (other services)

N/A

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

N/A

Communities

Members will be better able to support communities projects through the availability of additional funding.

Service Users

Residents within wards will see more funding available to support the needs and priorities of their local area.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/A

Section 6

Supplementary Information

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	N/A
Staff Consultation	N/A
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Jill Beaumont
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Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB INV5
Portfolio	Cooperatives and Neighbourhoods
Directorate:	Cooperatives and Neighbourhoods
Division:	Environmental Services
Responsible Officer and role:	Joanne Betts (Senior Transport Officer)
Shadow Cabinet Member and Cluster :	Cllr D Murphy – Housing, Planning and Highways

Title:	Increase Capital Investment on the Highways Network with a detailed programme to be devised by Local Leaders and Highways Officers
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	N/A
	Income	N/A
	Net Expenditure	N/A
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	N/A

	2016/17 £k	2017/18 £k
Proposed Financial impact:	293	97
Proposed change in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	There is a backlog of footways and carriageway maintenance in the Borough. To tackle this backlog capital investment is required to improve the network. This proposal plans for this to be done in co-operation by local District Executives and representatives of Highways working closely together
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Proposed Budget Option £k: <i>Through efficiency, income generation, transformation, decommissioning, etc</i>	To invest £5.000M in 2016/17 and a further £1.650M in 2017/18 to improve the conditions of footways and carriageways
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Further Financial Implications & Considerations <i>ie Capital implications or invest to save, pump priming etc , variations to budget</i>	N/A
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Type of impact on partners	Positive

Section 4

Key Milestones	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Agree programme of works from 2016/17 and 2017/18	March 2016 onwards
Review and monitor process	April 2016 onwards
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

Key Risks and Mitigations

Risk	Mitigating Factor
Schemes taking longer than anticipated due to not being able to book road space.	Identify programme and book road space as soon as possible.

Section 5

What impact might the proposal have on the following?

Property Implications *ie closures, maintenance costs, transfer of Assets, property savings, etc*

N/A

Service Delivery and future expected outcomes:

N/A

Organisation (other services)

N/A

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

N/A

Communities

N/A

Service Users

Residents will see an improvement in the asset

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/A

Section 6

Supplementary Information

A detailed programme of works will be developed.

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	N/A
Staff Consultation	N/A
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / <u>No</u>
EIA to be completed by:	Enter name of officer
By:	Enter the date by which the assessment will be complete

Section 9

Responsible Officer:	Joanne Betts
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Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB SAV1
Portfolio	Co-operatives and Neighbourhoods
Directorate:	Co-operatives and Neighbourhoods
Division:	Neighbourhoods
Responsible Officer and role:	John McAuley – PFI Lighting Manager
Shadow Cabinet Member and Cluster :	Cllr D Murphy – Housing, Planning and Highways

Title:	Savings through more efficient street lighting
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£6,377k
	Income	(£2,496k)
	Net Expenditure	£3,881k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	3

	2016/17 £k	2017/18 £k
Proposed Financial saving:	90	0
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>Investment to replace 80% of street lighting across the borough over five years through the present PFI contract with E.ON will be completed in July 2016.</p> <p>The newly installed lights have the ability to reduce the light output, resulting in a reduction in energy costs and the Council's carbon footprint. This is referred to as a variable lighting strategy.</p> <p>A successful pilot to reduce street lighting to 50% in specific locations has already been undertaken. It is proposed that the</p>
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	<p>Council quickly builds on the success of this trial by carrying out a risk assessment across Oldham to determine where street lighting can be dimmed safely and for street lighting to be reduced in the areas identified.</p> <p>Work to de-illuminate advanced direction signs, traffic signs and traffic bollards is currently being incorporated in the street lighting core investment programme which is due to be completed in July 2016.</p> <p>There is also a further opportunity to review whether street lights are required at all in certain areas and whether they can be switched off/removed to provide further savings. It is therefore proposed for an assessment to start to review where street lighting is not required, along with a risk assessment to evaluate the impact.</p>
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>The dimming of the street lights further would save an estimated £90k per annum in energy costs.</p> <p>However the saving is subject to changes in the price of energy.</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>Any savings realised could be offset by claims against the Council for accident claims to be caused by reduced lighting. In order to minimise this risk, an effective risk assessment would need to be carried out before lights are dimmed/switched off.</p>
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Type of impact on partners	Neutral or marginal

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Start the implementation of street lighting across the Borough	March 2016
Start to review areas whether street lighting may not be required and carry out risk assessments	March 2016
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Risk of accidents and increase the risks associated with wider community safety due to reduction in street lighting levels	Council officers would work closely with Members and other stakeholders prior to any proposal being implemented to minimise any risk to safety.

Section 5

What impact might the proposal have on the following?

<u>Property Implications</u> <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
The savings associated with dimming street lighting will result in savings in energy costs for the Council.

<u>Service Delivery and future expected outcomes:</u>
Members of the public may notice a reduction in the level of street lighting and feel this is a reduction in level of service provided by the Council.
The expectation of stakeholders for the service will need to be managed through engagement and consultation, to explain the rationale for the change and the benefits.

Organisation (other services)

The organisation will see a reduction in its energy costs.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

N/A

Communities

The wider community may feel that the reduction in street lighting will put them at risk. Engagement with stakeholders will take prior to the implementation to ensure this risk is minimised.

Service Users

Members of the public may notice a reduction in street lighting levels following the implementation of the dimming to 50%.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

Council officers will engage and work with other community groups to ensure that any concerns are dealt with and risks are minimised.

Section 6

Supplementary Information

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	N/A
Staff Consultation	N/A
Public Consultation	Once the option is approved, consultation will take place with stakeholders.
Service User Consultation	Once the option is approved, consultation will take place with stakeholders.
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	Yes
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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	Yes
Groups with particular faiths/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	John McAuley
By:	25/01/2016

Section 9

Responsible Officer:	John McAuley
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Equality Impact Assessment

Stage 1: Initial screening

Lead Officer:	John McAuley
People involved in completing EIA:	
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	Yes No X Date of original EIA: 16/02/15

General Information

1a	Which service does this project, policy, or proposal relate to?	ALB SAV1 Street Lighting
1b	What is the project, policy or proposal?	Reduction in lighting levels for street lighting
1c	What are the main aims of the project, policy or proposal?	Savings on energy as a result of a reduction in lighting levels.
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	The proposal is for a reduction in lighting levels for the Authority's street lighting. There is a possibility that this could disproportionately impact on some groups. However, until detailed work is completed and a decision was made about which areas will be affected this is not possible to assess in detail.

1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

People on low incomes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
<i>E.g. vulnerable residents, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>		<input type="checkbox"/>	<input type="checkbox"/>	

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
1h	How have you come to this decision?	A review would need to be undertaken with a focus on safety and risk. As part of this review the Council would need to consider equality impacts on the groups highlighted above.

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB SAV2
Portfolio	Economy and Skills
Directorate:	Economy and Skills
Division:	Enterprise and Skills
Responsible Officer and role:	Lynda Fairhurst Head of Service, Oldham Lifelong Learning Service
Shadow Cabinet Member and Cluster :	Cllr G Harkness - Education and Skills

Title:	Increase external income generated by Lifelong Learning by £25k
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£4,348k
	Income	(£3,525k)
	Net Expenditure	£823k Note: This includes Capital Charges – Depreciation £414,210 this is a central cost to the Authority. Revised Net Expenditure £408,770
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	80 FTE

	2016/17 £k	2017/18 £k
Proposed Financial saving:	25	0
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>The Lifelong Learning Service is predominantly funded by the Skills Funding Agency (SFA) and European Social Fund (ESF) via the Adult Skills Budget and the Community Learning Budget.</p> <p>The Service complies with SFA requirements to provide free courses for designated categories of learners. For other learners course fees are charged and these must be used to co-fund the delivery of learning.</p>
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	The proposal is that the Service contributes an additional £25k in 2016/17 from external funding bids.
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>The proposal will create an additional income target against the Service of £25k in 2016/17.</p> <p>This will be achieved by bids to European Social Fund (ESF) and a range of external funding bids.</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	The Service is largely funded through external grants and therefore subject to the risks associated with grant funding.
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	None
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	None
Type of impact on partners	Positive

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Equality Impact Screening completed and an EIA is not required	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Failure to secure funding from bids due to competitive nature of bidding.	The Service is working with a wide range of networks to maximise opportunities for successful partnership bids.

Section 5

What impact might the proposal have on the following?

Property Implications *ie closures, maintenance costs, transfer of Assets, property savings, etc*

N/A

Service Delivery and future expected outcomes:

There should be little impact on the Service's ability to deliver outcomes and meet targets. The high quality of the service will be maintained and outcomes and targets will remain in line with Skills Funding Agency (SFA) and Council requirements. The development of a non SFA element of delivery may help to diversify the offer from the Service.

The Service currently:

- Is graded as outstanding by OFSTED
- Has circa 11,000 enrolments and engages circa 5,500 learners per year
- Contributes significantly to the Council's Get Oldham Working ambitions, the Public Service Reform agenda and our Health and Wellbeing ambitions by delivering
- Focuses provision on people who are:
 - Unemployed
 - Seeking work
 - Jobcentre Plus clients
 - Hard to reach and most disadvantaged
 - Parents and families
 - Minority ethnic groups
 - Experiencing learning difficulties and/or disabilities
 - Full level 2 learners
- Delivers vocational learning, English, Maths and English for Speakers of Other Languages (ESOL), Family English, Maths and Language (FEML), ICT, community learning and community engagement, health and wellbeing
- Works closely with key partners to deliver the Council's vision and priorities these include:
 - The Oldham College
 - Jobcentre Plus
 - Work Programme providers
 - Positive Steps
 - National Careers Service
 - Work Clubs
 - Union learning representatives
 - Workforce development service
 - Schools
 - Children's centres
 - Voluntary and Community sector
 - Local businesses

Organisation (other services)

Successful bids for external funds will expand the opportunity to work with other organisations and partners.

There is no investment requirement for other services.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

Additional staff may be required to deliver the programmes stemming from successful bids.

Communities

Learners are already largely taking responsibility for their own learning.

There will be no change in the community in terms of responsibility.

Service Users

There will be no change in access to learning programmes for learners / Service Users. If bids are successful, a wider range of programmes will be available. This will give learners more opportunities to engage in and access learning which develops the skills needed to progress and gain employment.

The high quality of Service delivery will be maintained.

There will be no negative impact on the current fees and charges made to learners. Those learners on existing programmes who qualify will continue to have free or concessionary learning. It is highly likely that additional funding streams will focus on the most disadvantaged for whom learning will be free.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

There is a potential positive impact on the third sector organisations as partnership bids are likely to involve local organisations, potentially increasing their capacity to engage local citizens.

Section 6

Supplementary Information

Any additional funding secured from successful bids will complement SFA funded provision which already focuses on the Council's priorities, especially Get Oldham Working and the Co-operative agenda.

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	N/A
Staff Consultation	N/A
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there **potential** for the proposed saving to have a disproportionate adverse impact on any of the following groups:

	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Lynda Fairhurst
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Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB SAV3
Portfolio	Chief Executive
Directorate:	Chief Executive
Division:	Communications and Marketing
Responsible Officer and role:	Carl Marsden – Head of Communications
Shadow Cabinet Member and Cluster :	Cllr J Turner- Performance & Corporate Governance

Title:	Savings through the deletion of Council publications and reduction in spend on internal communications
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£1,088k
	Income	(£959k)
	Net Expenditure	£129k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	16

	2016/17 £k	2017/18 £k
Proposed Financial saving:	93	10
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>Oldham Council produces a quarterly newsletter (Borough Life), advising residents of Council services and developments within the borough. It is a full colour paper, of approximately 12 pages. It is produced and distributed to all 93,000 households within the borough and delivered to key locations like libraries, doctor's surgeries, cafes and pubs. It is also available as a PDF document on the Council website.</p> <p>The Council also produces a newsletter for families (Family Life) which is distributed through schools three times a year to coincide with major school holidays.</p>
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	<p>The proposal is to remove both of these publications from circulation, to deliver a budget saving from all associated costs of the production and distribution of both magazines.</p> <p>The Council has a statutory obligation to provide information regarding Council Tax to its residents. Although the Council Tax Leaflet has been reduced in size, further savings could be made by utilising other communication methods, just as the Council's website, eliminating printing costs.</p> <p>The Council currently spends £31k on internal communication events including staff and management conferences. These events could be reduced and other communication methods utilised to generate a further saving to the Council.</p>
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>Borough Life deletion £43k saving in 16/17</p> <p>Family Life deletion £19k savings in 16/17</p> <p>Discontinue the publication of Council tax leaflet from 17/18, £10k saving</p> <p>Reduction in internal communication and events £31k in 16/17</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	N/A
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Type of impact on partners	Neutral or marginal

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Stop production of the Borough Life and Family Life	April 2016 onwards
Utilise other effective communication methods for Council Tax information	February 2017 onwards
Implement a reduction in staff communication and events	April 2016 onwards
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Residents no longer receive information regarding Council services and developments	Other communication methods will be utilised to provide information to residents
We no longer comply with statutory obligations to provide residents with Council Tax information	Council Tax information will be published on the Council's website to ensure we fulfil our statutory obligation
Members of staff are not kept up to date on changes and developments within the Council	It is vital that staff are kept up-to-date, especially through times of change. It will be therefore ensured that communication with staff continues through utilizing cost effective communication methods.

Section 5

What impact might the proposal have on the following?

<u>Property Implications</u> <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
N/A

Service Delivery and future expected outcomes:

N/A

Organisation (other services)

There will be no impact on other services.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

A reduction in internal communication spend during a significant period of change could lead to lower staff morale and reduced levels of engagement, productivity and motivation.

Communities

Lack of direct communication could lead to lower awareness and take-up of key Council services particularly in areas or among groups with lower levels of online access.

There is a risk that this could be detrimental to the image of the Council within communities, which could provide a drop in satisfaction levels.

Service Users

Residents may not be aware of services and Council developments. Without delivering information to every household within Oldham, there is no guarantee that everyone has received communication issued by the Council.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/A

Section 6**Supplementary Information**

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	N/A
Staff Consultation	N/A
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there **potential** for the proposed saving to have a disproportionate adverse impact on any of the following groups:

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

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	Carl Marsden
By:	25/01/2016

Section 9

Responsible Officer:	Carl Marsden
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Equality Impact Assessment

Stage 1: Initial screening

Lead Officer:	Carl Marsden
People involved in completing EIA:	
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	Yes No X Date of original EIA: 16/02/15

General Information

1a	Which service does this project, policy, or proposal relate to?	Communications and Marketing
1b	What is the project, policy or proposal?	Proposal to reduce spend on communication and marketing activity.
1c	What are the main aims of the project, policy or proposal?	<p>To stop the publication of the council's newspaper – Borough Life and Family newsletter - Family Life and to reduce spend on internal communication which would achieve the following savings:</p> <ul style="list-style-type: none"> • Borough Life deletion £43k saving in 16/17 • Family Life deletion £19k savings in 16/17 • Discontinue the publication of Council tax leaflet from 17/18, £10k saving • Reduction in internal communication and events £31k in 16/17
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	The council's Borough Life newspaper is delivered to every household in the borough four times a year. It is intended to inform residents about how their council tax is spent and how to access council services. Without Borough Life residents would have to rely on the council website and the local press for information about the council.

	<p>Readership of the Oldham Evening Chronicle as fallen 46% over the last five years and the Manchester Evening News has recently announced that it will no longer be publishing the Oldham Advertiser which will be replaced by a Manchester wide weekly newspaper with very little Oldham content.</p> <p>The number of residents with access to the internet in Oldham is growing steadily, however, some groups are less likely to have access including older people and those on lower incomes.</p> <p>A communications strategy reliant on digital could potentially make it more difficult for these groups to access information about the council and its services.</p>
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1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
<i>E.g. vulnerable residents, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i>		<input type="checkbox"/>	<input type="checkbox"/>	

If the answer is “negative” or “not sure” consider doing a full EIA

<p>1f. What do you think that the overall NEGATIVE impact on groups and communities will be? <u>Please note that an example of none / minimal impact would be where there is no negative impact identified, or there will be no change to the service for any groups.</u> Wherever a negative impact has been identified you should consider completing the rest of the form.</p>	None / Minimal	Significant
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
1h	How have you come to this decision?	If these publications were ceased then officers would work with members and stakeholders to find alternative methods of delivering the information. The equality groups identified – low income and particular age groups – would be targeted to improve their access to this information through focussed communication methods and through the use of our libraries and our digital inclusion programme.

Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB SAV4
Portfolio	All
Directorate:	All
Division:	All
Responsible Officer and role:	Anne Ryans – Director of Finance
Shadow Cabinet Member and Cluster :	All

Title:	Savings through reducing newspapers, periodical, subscriptions and conference expenditure across the Council by 10%
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£92k
	Income	(£0k)
	Net Expenditure	£92k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	N/A

	2016/17 £k	2017/18 £k
Proposed Financial saving:	9	0
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>There is currently a total of £54k budgeted spend across the Council for periodicals and subscriptions, £22k in Cooperatives and Neighbourhoods & £32k in Corporate and Commercial Services. By reducing budgets by 10%, it will drive managers to prioritise and spend efficiently on periodicals and subscriptions.</p> <p>A sum of £38K is budgeted for conferences across all portfolios. By reducing budget by 10% in 2016/17, it would require managers to review and prioritise conferences attended by their services, driving an efficient use of resources across the Council.</p>
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	The saving across all portfolios would be £9k.
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	N/A
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Type of impact on partners	Neutral or marginal

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Budgets across 16/17 budget adjusted	March 2016
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Council Officers are not kept up-to-date on the latest developments and changes affecting their services.	Council Officers use a variety of methods to ensure they are aware of changes affecting the delivery of their services, including statutory and legislative changes. Other methods for keeping up-to-date will be utilised where conference are no longer attended and subscriptions ended.

Section 5

What impact might the proposal have on the following?

<u>Property Implications</u> <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
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N/A

<u>Service Delivery and future expected outcomes:</u>
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A 10% reduction in these budgets would have minimal impact on services' ability to deliver and would drive efficiency within the area.
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<u>Organisation (other services)</u>

The impact is Council wide although minimal.
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Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

Members of staff may need to utilise different methods to keep up to date and ensure continued professional development.

Communities

N/A

Service Users

N/A

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/A

Section 6

Supplementary Information

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	N/A
Staff Consultation	N/A
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Anne Ryans
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Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB SAV5
Portfolio	Corporate and Commercial Services
Directorate:	People
Division:	People Services
Responsible Officer and role:	Cathy Butterworth – Assistant Director of People
Shadow Cabinet Member and Cluster :	Cllr J Turner - Performance & Corporate Governance

Title:	Reduction in sickness levels across the Council
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£77,714k Staffing and agency across the Council
	Income	(£0k)
	Net Expenditure	£77,714k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	2142.3

	2016/17 £k	2017/18 £k
Proposed Financial saving:	13	13
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>For 2015/16, it is estimated that 9.69 days per FTE will be taken as sickness, the equivalent to a notional cost of £2.3m in productive days lost based on the average salary for the Council.</p> <p>In frontline services, where employees are off sick, agency cover is needed and this creates an additional cost to the Council.</p> <p>It is proposed that work is undertaken to reduce the sickness level down to eight days per FTE, with work undertaken in areas where sickness is covered by agency or overtime to reduce the cost to the Council.</p>
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>It is estimated that covering sickness will cost the Council £400k. By targeting a reduction in sickness in areas which use agency and overtime to cover sickness, it could generate a saving to the Council of £13k in 2016/17 and a further £13k in 2017/18</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>N/A</p>
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Economic Impact Summary	
<p>Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i></p>	<p>Reduction in agency use, overtime and average contract length where sickness is being covered.</p>
<p><u>Total financial loss to partners (£k)</u> <i>(including Unity partnership, 3rd sector, other partners, private sector)</i></p>	<p>N/A</p>
<p>Type of impact on partners</p>	<p>Neutral or marginal</p>

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Implementation	April 2016
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Sickness is not reduced and the saving is not achieved.	Proactive intervention work will take place with managers and staff to support the reduction in sickness levels, along with the effective use of engagement and communications.

Section 5

What impact might the proposal have on the following?

Property Implications *ie closures, maintenance costs, transfer of Assets, property savings, etc*

N/A

Service Delivery and future expected outcomes:

N/A

Organisation (other services)

N/A

Workforce

Note: *Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models*

N/A

<u>Communities</u>
N/A

<u>Service Users</u>
N/A

<u>Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)</u>
N/A

Section 6

<u>Supplementary Information</u>
N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	N/A
Staff Consultation	N/A
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Cathy Butterworth
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Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB SAV6
Portfolio	Corporate and Commercial Services
Directorate:	People
Division:	People Services
Responsible Officer and role:	Cathy Butterworth – Assistant Director of People
Shadow Cabinet Member and Cluster :	Cllr J Turner - Performance & Corporate Governance

Title:	Review the cost to the Council of Trade Union support in light of an ever decreasing workforce
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£149k
	Income	£(7)k
	Net Expenditure	£142k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	4.2

	2016/17 £k	2017/18 £k
Proposed Financial saving:	10	30
Proposed reduction in FTE's	0	1

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>To provide Trade Union facilities costs the Council £142k per annum, including accommodation, branch officers and parking costs.</p> <p>The Trade Union Facilities Agreement was reviewed and agreed in October 2013, which lead to a reduction in costs to the Council. The Facilities Agreement is agreed for a period of two years.</p> <p>Although the Facilities Agreement was agreed again at the same level in October 2015, it is felt that further costs reductions could be renegotiated.</p>
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>The Council's desire to renegotiate the Agreement would need to be taken to the next NJC Committee meeting in April 2016, and then consultation would start with the Trade Unions. The new agreement would then be taken to next NJC Committee meeting.</p> <p>Only partial years savings of £10k could potentially be achieved in 2016/17, with further full year savings of £30k in 2017/18.</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>The savings will be dependent on the agreement of a revised Trade Unions Facilities Agreement at the NJC Committee meeting.</p>
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Economic Impact Summary	
Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i>	1 FTE overall
Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i>	N/A
Type of impact on partners	Negative

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Decision by the Council taken to the NJC Committee meeting	April 2016
Renegotiations start with Trade Unions	May 2016 onwards
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Management may not have the capacity to effectively renegotiate the agreement effectively.	Managers will be upskilled to support the renegotiation at a local level.
Collective bargaining may be reduced	Managers will be upskilled where needed.
Employee and employer relationships may be impaired.	Managers will be upskilled to manage relationships effectively.

Section 5

What impact might the proposal have on the following?

<u>Property Implications</u> <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
--

If the provision of accommodation for Trade Unions is changed this may impact on Corporate Landlord.
--

<u>Service Delivery and future expected outcomes:</u>
--

Meaningful consultation needs to be undertaken to ensure that staff are still aligned to service objectives.
--

If the working hours of Trade Union Branch Officers are reduced, this may delay case work for members.
--

<u>Organisation (other services)</u>

Changes to Trade Union Facilities Agreement may result in cases/disputes taking longer to settle.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

The workforce may feel less supported and motivated, and this may impact on the Council's ability to implement savings and service redesigns on time. It will need to be ensured that consultation takes place in a meaningful way.

Communities

N/A

Service Users

The workforce may feel less motivated, which may impact on services provided. It will need to be ensured that consultation takes place in a meaningful way.

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

Trade Unions will be affected by the proposals.

Section 6

Supplementary Information

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	Required after the meeting with the NJC Committee in April 2016.
Staff Consultation	N/A
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Cathy Butterworth
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Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB SAV7
Portfolio	Corporate and Commercial Services
Directorate:	People
Division:	People Services
Responsible Officer and role:	Cathy Butterworth – Assistant Director of People
Shadow Cabinet Member and Cluster :	Cllr J Turner - Performance & Corporate Governance

Title:	Review the use of Consultancy and Agency staff
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£2,259k
	Income	(£0k)
	Net Expenditure	£2,259k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	0

	2016/17 £k	2017/18 £k
Proposed Financial saving:	10	40
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>The Council spent £3,023k on agency staff for the first nine months of 2015/16.</p> <p>It is proposed for the use of agency staff by services to be reviewed, to identify where savings can be made by analysing how agency staff are used across the Council and identifying the most cost effective way to carry out their duties.</p>
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>It is proposed that by analysing the use of agency staff, areas could be targeted to reduce agency costs, generating a savings of £10k in 2016/17 and a further £40k in 2017/18.</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>If the reduction in agency costs is not targeted to the right areas, it could lead to further costs to the Council.</p>
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Economic Impact Summary	
<p>Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i></p>	<p>0 FTE (directly employed) 2 FTE (potentially of agency staff)</p>
<p>Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i></p>	<p>N/A</p>
<p>Type of impact on partners</p>	<p>Neutral or marginal</p>

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Start to analyse agency spend and identify areas to target	April 2016
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

Key Risks and Mitigations	
Risk	Mitigating Factor
If reductions are not targeted, it could lead to higher staffing costs.	It will be ensured that reduction work is targeted to the areas where savings can be generated.
By reducing agency costs, frontline services are not carried out	It will be ensured that reduction work is targeted to the areas to ensure frontline services are not adversely affected as a result.
Key skills and duties are not covered.	It will be ensured that key skills and duties are still covered, through analysis work and targeted reductions.

Section 5

What impact might the proposal have on the following?

Property Implications <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
N/A

Service Delivery and future expected outcomes:
N/A

Organisation (other services)

N/A

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

The workforce may increase as the use of agency staff reduces.

Communities

N/A

Service Users

N/A

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/A

Section 6

Supplementary Information

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	N/A
Staff Consultation	N/A
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Cathy Butterworth
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Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB SAV8
Portfolio	Chief Executive
Directorate:	Chief Executive
Division:	Communications and Marketing
Responsible Officer and role:	Mark Reynolds - Director of Policy and Governance
Shadow Cabinet Member and Cluster :	Cllr J Turner- Performance & Corporate Governance

Title:	Reduction in Communication and Marketing by restructuring and efficiencies
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£1,088k
	Income	(£959k)
	Net Expenditure	£129k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	16

	2016/17 £k	2017/18 £k
Proposed Financial saving:	60	0
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>The Communication and Marketing Team is supported by 16 members of staff, including Graphic Designers, Communication Officers and Marketing Officers.</p> <p>A review of the service has identified the potential to save £60k through service restructuring and efficiencies.</p>
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>A potential saving of £60k could be achieved through service restructuring and efficiencies.</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>It would still need to be ensured that income targets are still achieved by prioritising work accordingly.</p>
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Economic Impact Summary	
<p>Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i></p>	TBC
<p>Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i></p>	N/A
Type of impact on partners	Neutral or marginal

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Start to implement restructuring and efficiencies	March 2016 onwards
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
The Communication and Marketing Team will be unable to meet demand	Priorities will need to be reviewed and action taken accordingly to ensure statutory duties are carried out.

Section 5

What impact might the proposal have on the following?

<u>Property Implications</u> <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
N/A

<u>Service Delivery and future expected outcomes:</u>
The demand on the team is already significant which leads to delays in some areas. The impact on the service would be dependent on the restructure.

<u>Organisation (other services)</u>
There may be a longer lead time for services from the Communication and Marketing Team.

Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

N/A

Communities

N/A

Service Users

N/A

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/A

Section 6

Supplementary Information

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	To be undertaken if proposal approved
Staff Consultation	To be undertaken if proposal approved
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Mark Reynolds
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Budget Saving Pro-forma 2016/17 and 2017/18

Section 1

Reference:	ALB SAV9
Portfolio	All
Directorate:	All
Division:	All
Responsible Officer and role:	Anne Ryans – Director of Finance
Shadow Cabinet Member and Cluster :	All

Title:	Reduce expenditure on supplies and services to all directorates which is an expansion of D019
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Section 2

2015/16 Budget for the section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	Expenditure	£11,653k
	Income	(£0k)
	Net Expenditure	£11,653k
Total posts numbers in section: <i>(By Portfolio/Directorate/Division delete as appropriate):</i>	FTE	N/A

	2016/17 £k	2017/18 £k
Proposed Financial saving:	106	0
Proposed reduction in FTE's	0	0

Section 3

<u>Background:</u> <i>Brief description of the proposal ie: what will be different, how will changes be implemented, timescale for implementation</i>	<p>Controllable budget for supplies and services across the Council for 2016/17 is proposed to be £10,611k.</p> <p>This is a significant area of expenditure for the Council. It is therefore proposed to reduce the budget for supplies and services by 1% to drive services to work more efficiently and procure goods and services effectively.</p>
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<p><u>Proposed Savings £k:</u></p> <p><i>Through efficiency, income generation, transformation, decommissioning, etc</i></p>	<p>Based on the proposed budget of £10,611k for 2016/17 for controllable spend on supplies and services, a 1% reduction would generate a saving of £106k.</p>
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<p><u>Further Financial Implications & Considerations</u></p> <p><i>ie Capital implications or invest to save, pump priming etc , variations to budget</i></p>	<p>N/A</p>
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Economic Impact Summary	
<p>Total net FTE job losses (gains): <i>(including Council, Unity partnership, 3rd sector, other partners, private sector)</i></p>	N/A
<p>Total financial loss to partners (£k) <i>(including Unity partnership, 3rd sector, other partners, private sector)</i></p>	N/A
<p>Type of impact on partners</p>	Neutral or marginal

Section 4

<u>Key Milestones</u>	
Milestone	Timescale
Budget options approval	Full Council Meeting February 2016
Budgets across 16/17 budget adjusted	March 2016
Mandatory – Completion of EIA & Consultation within PVFM timeline	January 2016

<u>Key Risks and Mitigations</u>	
Risk	Mitigating Factor
Savings are not achieved fully in 2016/17.	The achievement of the savings will be monitored and corrective action taken where needed.

Section 5

What impact might the proposal have on the following?

<u>Property Implications</u> <i>ie closures, maintenance costs, transfer of Assets, property savings, etc</i>
--

N/A

<u>Service Delivery and future expected outcomes:</u>
--

A 1% reduction in these budgets would have minimal impact on the ability of services to deliver and would drive efficiency within the area.

<u>Organisation (other services)</u>

The impact, although Council wide, will have a minimal impact on individual services..
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Workforce

Note: Please detail here any direct or indirect impact on the employees beyond reduction in numbers, for example, changes working methods, job roles or delivery models

N/A

Communities

N/A

Service Users

N/A

Partner Organisations (Public & Private) inc Third Sector (Voluntary, Faith & Third Party Organisations)

N/A

Section 6

Supplementary Information

N/A

Section 7

Consultation Information –

This should include as a minimum the following:

- *What has been consulted on so far? With whom and when?*
- *Further consultation required?*
- *Date consultation to be started and concluded*

NB – All public consultations must be completed prior to approval by Cabinet/Council.

Trade Union Consultation	N/A
Staff Consultation	N/A
Public Consultation	N/A
Service User Consultation	N/A
Any other consultation	N/A

Section 8

Equality Impact Screening

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	State Yes / No against each line
Disabled people	No
Particular ethnic groups	No
Men or Women (include impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation/s	No
People who are proposing to undergo, are 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/beliefs	No

If by answering yes to any of the question the screening has identified a potential disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:

http://intranet.oldham.gov.uk/downloads/file/124/equality_impact_assessment_toolkit

EIA required:	Yes / No
EIA to be completed by:	N/A
By:	N/A

Section 9

Responsible Officer:	Anne Ryans
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Report to Council

Medium Term Financial Strategy 2016/17 to 2020/21

Portfolio Holder:

Councillor Jabbar, Cabinet Member for Finance and HR

Officer Contact: Anne Ryans, Director of Finance

Report Author: Anne Ryans, Director of Finance

Ext. 4902

24 February 2016

Reason for Decision

To present the Medium Term Financial Strategy (MTFS) for the financial years 2016/17 to 2020/21 having regard to the uncertainties around a number of issues including the level of reductions in future funding from Central Government and the consequent changes required of the Council.

Executive Summary

The report advises Council that based on current information and assumptions; trends and demand pressures the Council will continue to be required to make considerable revenue budget savings over the MTFS period of 2016/17 to 2020/21. The budget for 2016/17 is now balanced after the identification of £16.044m of budget reduction proposals.

The Local Government Finance Settlement was announced on 8 February 2016 alongside supplementary grant allocations paid from Central Government. The Final Settlement did not change funding allocations notified by the Provisional Settlement of 17 December 2015. Current estimates are that savings required for 2017/18 will be £20.464m and that over the period 2017/18 to 2020/21 the total budget reduction target will be £63.584m. The MTFS was subject to scrutiny at the Overview and Scrutiny Performance and Value for Money Select Committee on 21 January 2016. It was presented to and approved by Cabinet on 11 February 2016.

By having regard to the projections in the report, the Council will however, be well placed, to prepare in an appropriate manner for the challenges ahead and therefore be able to respond accordingly.

Recommendations

It is recommended Council approves the MTFS attached at Appendix 1.

1 Background

- 1.1 Each year, the Council has to identify what it needs to spend on Council services for the following year as part of the budget setting process. This process also involves the identification of provisional spending plans for future financial years. This ensures the Council's future spending plans are balanced against the expected funding from Government, Council Tax payers and Business Rate payers. These plans form part of the Council's Medium Term Financial Strategy (MTFS).
- 1.2 The MTFS is designed to build on the work and achievements of previous years and to help meet the challenges of the future and is one of the key strategic plans of the Council. The strategy sets out the Council's proposed revenue spending plans for the next five years 2016/17 to 2020/21 together with the key factors which influence this.
- 1.3 The MTFS was presented to the Overview and Scrutiny Performance and Value for Money Select Committee on 21 January 2016 for review and consideration. Members of the Committee were able to ask questions about the assumptions underpinning the projections and the financial challenges facing the Council. The Committee was content to accept the report as presented and recommend it to Cabinet.
- 1.4 Cabinet considered the MTFS at its meeting of 11 February 2015. It was content to approve the report and to commend it to Council for approval.

2 Current Position

The National Context

- 2.1 The General Election held in May 2015 returned a majority Conservative Government. The Chancellor's Emergency Budget of July 2015 highlighted £37bn of further spending cuts by 2020 outlining the Government's intention to continue with its plans to deliver a national surplus by the end of the Parliament. The Government's plan includes £12bn of welfare cuts, £5bn from tax avoidance, and a £20bn reduction in departmental budgets. Whilst there were no in-year cuts for Local Authorities, each unprotected department (including the Department for Communities and Local Government (DCLG) was asked to develop saving plans for 25% and 40% of their budget in preparation for the Spending Review.
- 2.2 The Government announced its 2015 Spending Review and Autumn Statement on 25 November 2015. This gave a five year view of the Government's spending plans looking at the budgets of all the Government's departments. It confirmed how £4 trillion of taxpayers' money will be spent by setting the maximum amount that each department can spend.
- 2.3 Over the Parliament, the Government plans to deliver a £10.1bn national budget surplus. A key strand in the Governments strategy to achieve this is cutting departmental spending by an average of 0.8% year on year. It is expected that this will impact on Local Government funding with reductions in Local Government grants of £6.1bn. As a result the way in which Local Government is funded going forward will need to be reformed. A number of consultations on changes to be made to the Local Government Finance System are expected.

2.4 The main reform announced and to be consulted upon is the implementation of the 100% business rates retention by the end of the Parliament. This will be consulted upon along with a review of all resources available to Local Authorities. There is also a planned phasing out of the Revenue Support Grant (RSG) and additional responsibilities to be given to Local Authorities. Other planned reforms announced were:

- An additional 2% Council Tax precept to fund the costs of social care
- Additional Better Care Fund funding to support the integration of health and social care
- The use of capital receipts to fund the revenue costs of service transformation
- Changes to the payment of the New Homes Bonus grant with savings generated expected to be used to fund the costs of social care

The Government also encouraged the use of reserves to fund change.

2.5 Some of these initiatives are effective from 2016/17, others will be introduced later. The Council will have to respond to these reforms and the financial challenges they present. Whilst the Council continues to identify budget reductions, evidence suggests this will need to be achieved by considering how services can be delivered differently over the next five years.

The Council's Challenge

2.6 The 2016/17 Provisional Local Government Finance Settlement (PLGFS) was released on 17 December 2015. It was issued by the Secretary of State for Communities and Local Government the Rt. Hon. Greg Clark MP, setting out the Government's formal proposals for funding English Local Authorities for 2016/17.

2.7 The Final Local Government Finance Settlement was issued on 8 February 2016. It confirmed all the 2016/17 funding information notified by the Provisional Settlement. The Settlement provided indicative funding allocations covering four financial years, 2016/17 to 2019/20 in an aim to assist Local Authorities with their financial planning. However as there is only certainty in relation to 2016/17, this has only helped to frame the financial forecast for 2016/17 and provide background information for forecasts for 2017/18 and future years. The Government has offered certainty of funding over the period 2016/17 to 2019/20 if Councils submit an Efficiency Plan. As yet there is no detail as to what such a plan would require. This is due to be announced over the coming weeks. The advantages of funding certainty for the MTFS process are obvious however there are still many other issues that will impact on financial projections and the financial position of the Council over the period to 2019/20.

2.8 Work has been on-going during 2015/16 to revise the budget reduction target and to identify and embed budget reductions for the 2016/17 financial year. The Local Government Finance Settlement has enabled the Council to confirm that the achievement of the target has allowed a balanced budget position to be delivered.

2.9 The spending reductions included in the MTFS mean that the Council will have to continue to significantly transform its business and organisational arrangements over future years in order to meet the funding reductions and demand pressures. The Council's ambition is for a co-operative future for Oldham, one where citizens, partners and staff work together to improve the borough with the focus continuing to ensure a productive borough with confident communities supported by a Council that works co-operatively to drive change and add value.

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- 2.10 The MTFS projects that in addition to the revised £16.044m budget reduction proposals for 2016/17, the Council will have to find another estimated £37.164m over the 2017/18 (£20.464m) and 2018/19 (£16.700m) period. Whilst the MTFS shows budget reduction targets to 2020/21, it is more difficult to make accurate projections so far into the future as there are many variables that can change. However, including projections from 2017/18 to 2020/21, the requirement rises to £63.584m.
- 2.11 The preparation of the MTFS sets the framework for the challenges ahead and using the information it contains will therefore enable the Council to determine an appropriate course of action to meet the financial challenge it faces. The MTFS will be regularly reviewed throughout 2016/17.
- 2.12 The MTFS also contains projections for the Housing Revenue Account, capital programme, levies, precepts and information on the Treasury Management Strategy and schools funding, all of which are influential in determining the Council's financial planning framework.
- 3 Options/Alternatives**
- 3.1 The alternatives are to adopt the MTFS presented as an Appendix to this report or to let the existing MTFS run unchanged.
- 4 Preferred Option**
- 4.1 The preferred option is that the 2016/17 to 2020/21 MTFS attached at Appendix 1 is approved.
- 5 Consultation**
- 5.1 The Council has consulted on its budget proposals to achieve the 2016/17 savings target included in the MTFS by a number of means which are more fully detailed in the Budget Report for 2016/17 on this agenda.
- 5.2 Presentation to the Overview and Scrutiny Performance and Value for Money Select Committee on 21 January 2016 and Cabinet on 11 February 2016 were part of the consultation process.
- 6 Financial Implications**
- 6.1 Dealt in full within the report.
- 7 Legal Services Comments**
- 7.1 The Council has a legal obligation to pass a resolution to agree its budget and Council Tax resolutions by March 2016.
- 8. Co-operative Agenda**
- 8.1 The revenue, capital and HRA budget projections have been prepared so that they embrace the Council's co-operative agenda with resources being directed so that the aims, objectives and co-operative ethos of the Council are enhanced.

9 **Human Resources Comments**

9.1 Any outcomes arising from the MTFS which directly or indirectly impacts on the People Strategy, employees or their employment terms in this and future years will be considered and dealt with in accordance with the Council's practices, policies and procedures and any statutory requirements in place at that time. This will include proper and meaningful engagement with Trades Unions and staff. (Sally Blackman)

10 **Risk Assessments**

10.1 There are a whole range of issues which could impact on the MTFS and projections. A regular review of projections will ensure that any key changes are highlighted immediately. The MTFS addresses financial resilience at Section 5.

11 **IT Implications**

11.1 Any impacts on IT will be factored into the budget proposals identified in order to meet the savings targets shown in the MTFS.

12 **Property Implications**

12.1 Any impacts on asset management will be factored into the budget proposals identified in order to meet the savings targets shown in the MTFS.

13 **Procurement Implications**

13.1 Any budget proposals required to achieve the savings targets included in the MTFS that impact on the procurement of goods and services will be addressed in full liaison with procurement and in compliance with all necessary Council and statutory requirements.

14 **Environmental and Health & Safety Implications**

14.1 Any budget proposals required to achieve the savings targets included in the MTFS that impact on Environmental and Health and Safety issues will be dealt with so that the impact is minimised.

15 **Equality, community cohesion and crime implications**

15.1 There is a positive duty on all public bodies, including councils, to promote race, gender and disability equality. The Council meets the requirements.

16 **Equality Impact Assessment Completed?**

16.1 N/A

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 CFHR-27-15

19 **Background Papers**

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

File Ref: Background papers are provided in Appendix 1 to the report
Officer Name: Anne Ryans
Contact No: 0161 770 4902

20 **Appendices**

20.1 Appendix 1 Medium Term Financial Strategy

APPENDIX 1

Oldham Metropolitan Borough Council

Medium Term Financial Strategy

2016/17 to 2020/21



Investing in Oldham

Foreword to the Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) is a core part of the Council's strategic framework and has a vital role to play in enabling the translation of the Council's ambition and priorities into action. This MTFS principally focuses on taking a forward look over a five year timeframe (2016/17 to 2020/21) at a range of major issues affecting the financing of Oldham Council.

The strategy considers:

- international and national economic influences on Oldham Council
- local factors which influence policy within the Council including the Administrations priority of regenerating the borough and creating jobs
- key Council policy areas
- the influence of Central Government and regional policy and strategy

The strategy brings together the key issues affecting the revenue budget, Housing Revenue Account budget, capital strategy and capital programme and treasury management strategy. It projects the level of available resources from all sources and budget pressures relating to both capital and revenue funding streams. It therefore highlights the budget issues that will need to be addressed by the Council over the coming financial years.

This is a challenging time for Local Government. The Government's drive to reduce the national deficit has led it to significantly decrease the level of funding for the Local Government sector. Councils such as Oldham are still heavily reliant on Government funding and have been especially hard hit by the reduction in this funding. Although the Settlement for 2016/17 and future years is less severe than had been expected, this has still resulted in anticipated net grant funding reductions of £12.133m in 2016/17 and £16.044m budget reductions having to be made in order to set a balanced budget. The impact of Government funding reductions is evidenced in this document by the level of budget reductions required over each of the five years of the MTFS.

More detail on the Council's 2016/17 budget is contained in the Budget Report 2016/17.

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1 INTRODUCTION

1.1 Purpose of the Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) is a core part of the Council's strategic framework and has a vital role to play in enabling the translation of the Council's ambition and priorities into action. The purpose of the MTFS is:

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

The MTFS is an assessment of the Council's current financial position and a determination of the financial position the Council wishes to be in over the medium term, the five years 2016/17 to 2020/21, given the environment the Council operates in and its ambitions. In this way the Council not only secures the delivery of essential public services in the present, but also makes sure it is in a sustainable position to do so over the medium term and beyond.

The MTFS is currently orientated towards the analysis and review of revenue budgets. The Capital Strategy and Treasury Management Strategy deal in more detail with capital assets and the consequences of borrowing for capital purposes, however where these strategies have an influence on the revenue budgets and reserves, the implications have been included within this strategy.

The Council has approached budget setting for 2016/17 and 2017/18 as a two year exercise and initially highlighted a headline £60m budget challenge over the two years. It also had regard to the financial challenges in future years but in the main, focus has been concentrated on balancing the budget for 2016/17 and identifying budget reductions to contribute towards bridging the budget gap in 2017/18.

There was a detailed review of assumptions used to calculate the budget gap during 2015 and hence the budget reduction requirement. This was informed by the Chancellors Summer Budget, unexpected funding notifications from Central Government, trends in inflation, other Government policy announcements and changes in issues directly under the influence of the Council, for example revisions to capital spending plans. None of these changes could have been foreseen when the initial budget gap was calculated. The revised estimates meant the budget gap for 2016/17 was reduced to £18.194m compared to the originally calculated £29.489m gap. The budget gap for 2017/18 was reduced from £29.903m to £25.200m. These revised budget reduction targets have therefore influenced the financial planning position in the months prior to the receipt of the Local Government Finance Settlement which gave definitive grant funding figures for 2016/17 and indicative funding allocations for 2017/18, 2018/19 and 2019/20.

The 2016/17 budget has been developed and agreed within the context set by the MTFS.

1.2 Links to Key Corporate Objectives

The MTFS is framed by the Council's ambition for a co-operative future where everyone does their bit to create a confident and ambitious borough. The Council's corporate objectives underpin this ambition and set out the main focus areas:

- **A productive place** to invest where business and enterprise thrive
- **Confident communities** where everyone does their bit
- **A Co-operative Council** delivering good value services to support a co-operative borough

These objectives reflect the on-going commitment to ensure the Council works to serve the people of Oldham in all that it does and provides strong leadership for the borough. Such leadership is essential if the borough is to be able to meet the immediate challenges faced in a way that means it is stronger and able to make the most of opportunities in the future. The Council has, as would be expected, approached its budget setting and financial planning processes with the achievement of corporate objectives underpinning decision making.

1.3 National and External factors

1.3.1 The National Context

The General Election held in May 2015 returned a majority Conservative Government. The Chancellor's Emergency Budget in July 2015 included £37bn of further spending cuts by 2020 outlining the Government's intention to continue with its plans to reduce the national deficit by the end of the Parliament. The Government's plan included £12bn of welfare cuts, £5bn from reducing tax avoidance, and a £20bn reduction in departmental budgets. The Government's strategy to reduce the national deficit remains to reduce public sector expenditure especially in unprotected areas such as Local Government. During summer 2015 each unprotected Department (including the Department for Communities and Local Government (DCLG)) were asked to develop saving plans for 25% and 40% of their budget. These plans were used to inform the Spending Review (SR) which the Government confirmed would inform the 2016/17 Local Government Financial Settlement.

The Government published its 2015 SR and Autumn Statement on 25 November 2015. The SR gave a five year view of the Government's spending plans looking at the budgets of all the Government's departments. It confirmed how £4 trillion of taxpayers' money would be used by setting the maximum amount that each department can spend. The Government plans to deliver a £10.1bn national budget surplus by the end of the Parliament. The Government's economic forecasts detailed in the SR for the remainder of the Parliament contrast with 2014 and are set out in the tables below:

Table 1a - Economic Forecast

	2015	2016	2017	2018	2019	2020
GDP increase (%)	2.4	2.4	2.5	2.4	2.3	2.3
CPI inflation (%)	0.1	1.0	1.8	1.9	2.0	2.0
Employment (£Millions)	31.1	31.5	31.7	31.9	32.0	32.2

Table 1b Public Sector Net Borrowing

	2015	2016	2017	2018	2019	2020
Public Sector Net Borrowing (£Billions)	3.9	2.5	1.2	0.2	-0.5	-0.6

Table 1c Public Sector Spending

	2015	2016	2017	2018	2019	2020
Public Sector Current Expenditure (£Billions)	682.3	696.0	710.7	725.5	742.0	767.0
Total Managed Expenditure as a % of GDP (%)	39.7	39.1	38.1	37.2	36.5	36.4

1.3.2 Government Spending Priorities

The Government's headline Spending Priorities set out in the SR are to:

- spend 2% of Gross Domestic Product (GDP) on defence for the rest of the decade
- spend 0.7% of Gross National Income on overseas aid
- provide the NHS in England £10 billion per year more in real terms by 2020/21 than in 2014/15
- increase the basic State Pension by the triple lock in April 2016, so that it rises to £119.30 a week
- protect schools funding in England in real terms over the Spending Review period
- protect the national base rate per student for 16-19 year-olds in school sixth forms, sixth form colleges and further education colleges in England for the rest of the Parliament
- offer new financial support for further and higher education, with almost £1 billion of new loans by 2020/21 for part-time maintenance, postgraduate and higher level skills courses
- protect overall police spending in real terms over the Spending Review period
- maintain funding for the arts, national museums and galleries in cash terms over the Parliament

In addition, a key strand in the Government's strategy is cutting departmental spending in real terms by an average of 0.8% year on year. The impact on Local Government funding is a reduction in Local Government grants of £6.1bn. The Government intends that the Local Government sector will become self-financing with reliance on locally generated Council Tax and Business Rates (with the introduction of 100% Business Rates Retention).

A further four financial years of funding reductions until 2019/20 will result in the austerity regime covering a total period of ten financial years. The impact of austerity and these spending reductions will mean a further decline in Government grant funding. The phased withdrawal of Revenue Support Grant (RSG), the Councils main unringfenced grant funding source, is expected by 2020/21. To illustrate the impact this will have on the Council and the services it can provide, RSG received by the Council in 2013/14 was £85m, it had fallen to £51m in 2015/16 and with funding from this one grant expected to disappear completely, it will leave a considerable gap in financing. Although Government anticipates locally generated funding (Council Tax and Business Rates) should make good this shortfall, this will be challenging in Oldham given the comparatively low tax bases unless there is some form of Government support. The

consultation papers (when released) outlining the 100% Business Rates Retention scheme will be of significance for Oldham. The Government has indicated that there will be some form of funding equalisation and the consultation paper should outline the Government's approach.

A number of other consultations on changes to be made to the Local Government Finance System are expected in addition to Business Rates Retention. It is expected additional responsibilities will be given to Local Authorities over the next five years in tandem with the new funding arrangements.

Other planned reforms announced were:

- An additional 2% Council Tax precept to fund the costs of adult social care which is to be applicable from 2016/17
- Additional Better Care Fund funding to support the integration of health and social care, available from 2017/18
- The use of capital receipts to fund the revenue costs of service transformation applicable from 2016/17
- Reforms to the payment of the New Homes Bonus grant with savings generated expected to be used to fund the costs of social care to be introduced from 2017/18

The Council will have to respond to these reforms and the financial challenges they present. Whilst the Council continues to identify budget reductions, evidence suggests that the level of reduction required can only be achieved by the Council considering how services can be delivered differently over the next five years.

1.3.3 What Does This Mean for Local Government Funding?

The 2016/17 Provisional Local Government Finance Settlement was released on 17 December 2015. It was issued by the Secretary of State for Communities and Local Government the Rt. Hon. Greg Clark MP, setting out the Government's formal proposals for funding English Local Authorities for 2016/17.

The Final Local Government Finance Settlement was issued on 8 February 2016. This confirmed all the 2016/17 funding notifications included in the Provisional Settlement.

The Settlement provided funding allocations covering four financial years, 2016/17 to 2019/20 in an aim to assist Local Authorities with their financial planning. However as there is only certainty in relation to 2016/17, this has only helped to frame the financial forecast for 2016/17 and provide background information for forecasts for 2017/18 and future years. Future year's figures will be amended in accordance with future events including the transfer of new responsibilities.

The Government has advised that in return for certainty over funding allocations for the four year period 2016/17 to 2019/20, Councils can agree to the preparation of an efficiency plan. The detail required in such plans has not yet been released. However, certainty of funding would greatly enhance the MTFS.

The Settlement advised that Local Authorities will face an overall reduction in spending power of 9.62% for 2016/17. It introduced a new benchmark of Council spending, the Core Spending Power (CSP). Oldham's CSP for 2016/17 as assessed by Government

is £181.932m. The CSP uses the RSG allocation and assumes a growth in Business Rates and Council Tax neither of which align with local assumptions. It also assumes that the 2% Adult Social care precept will be applied and that the New Homes Bonus Grant will be higher than the figure calculated locally. An estimate of the CSP on the same basis as local assumptions is £178.392m. This is an increase on the comparative expected CSP of £172.523m reported to Council at the meeting on 16 December. Whilst the Settlement is more favourable than expected, some grants have been rolled into the RSG allocation, so the increase in RSG is less generous than it appears.

1.3.4 Other Key National Factors

The work undertaken by the Coalition Government and more recently by the Conservative Government has resulted in major changes to the role of, and arrangements for Local Authorities. Key changes in the policy landscape include:

Public Service Reform

Greater Manchester was one of four areas nationally to pilot Community Budgets. The pilot has focused on developing new investment and delivery models across public services in order to promote growth and productivity whilst reducing dependency driven demand. The key focus for this work is on prevention and supporting residents to be more independent and resilient enabling better outcomes for them and reducing the need for high-cost, reactive public services. This agenda has helped to shape some of the 2016/17 budget proposals and will have an increasing influence on service delivery in future years.

Changes to Role and Duties of Local Government

These changes have included responsibility for Public Health transferring to Local Authorities as well as delegation of a range of functions including administration of the Council Tax Reduction Scheme and parts of the Social Fund. The Localism Act 2011 contained a range of opportunities for communities including the Community Right to Buy and to take over community assets, as well as challenge how the Council runs certain services. The Act also gives communities the right to veto via a local referendum, “excessive” council tax rises, in line with the annually set Government criteria for excessiveness.

De-centralisation is a key feature of the Government’s open public services policy. It aims to free up public bodies to deliver services differently and innovatively to balance the pressures of demand and reducing budgets. This provides the freedom to pursue an innovative public service reform agenda and is completely consistent with the Council’s transformation agenda.

Local Government Finance Legislation

The Local Government Finance Act 2012 included a range of changes that fundamentally altered the way Local Authorities are financed. The Act permits Local Authorities to retain a proportion of locally generated business rates, thus aiming to connect Council financing to the local economic position. The Act provided the framework for the localisation of support for Council Tax in England. There is a requirement to consider the Council Tax localisation scheme on an annual basis with 2016/17 being the fourth year of operation. Council approved the 2016/17 scheme on 4 November 2015. This was unchanged from the 2015/16 scheme. In addition, the Act introduced changes to Council Tax rules in relation to charges on empty properties

and the Council has utilised these new powers to support its localised Council Tax Reduction scheme.

Further changes to Local Government finance are expected to be announced in 2016/17. As advised earlier, the major change will be the 100% Business Rates Retention although its full introduction is not expected until 2020/21. It would seem that this would not be positive for Oldham as the Council is currently a beneficiary from the national business rates pool, which means we receive a Top-Up Grant from the Government. Whilst it was intimated that an equalisation mechanism would still operate in future, the detail about how the scheme will operate is not known. Once the detail is available the Council will be in a better position to determine the impact of the change. A consultation on the implementation of 100% Business Rates Retention is expected to be issued during 2016.

Welfare Reform

The Welfare Reform Act 2012 introduced fundamental changes to the social security benefit system. Universal Credit (UC) is becoming the main means-tested social security benefit for people of working age, replacing Housing Benefit, Income Support, Income-Related Employment and Support Allowance (ESA), Income-based Jobseeker's Allowance (JSA), Working Tax Credit and Child Tax Credit. UC is being phased in across the country between 2013 and 2017. However, the Council has acted as a pilot Authority for the new regime and as such is one of the first Local Authorities to phase in UC. As more elements of UC are introduced there are likely to be further implications for the Council and benefit recipients.

The Governments July 2015 Budget announced there would be a further £12bn reduction in spending on welfare. This is to be achieved through a number of means including a freeze on working age benefits and lowering of the benefit cap even further. In an unprecedented move, the abolition of tax credits which was also cited as a measure in the July 2015 Budget was stopped by the House of Lords. The Chancellor's full response to this in terms of an alternative or amended set of measures is still to be announced.

The SR however, confirmed that welfare reforms will be implemented over the life of the Parliament. This will present further challenge and will have a significant impact for Oldham residents. The latest available national and local research, data and information, suggests the estimated cumulative loss to Oldham through the initially proposed changes over the next four years is over £40m. If all proposals are eventually fully implemented, the worst affected 2,000 families in the borough stand to lose more than £3,800 per year as a result of the reforms. Many people will be impacted by more than one change. It is therefore not possible to produce one single figure for the number of Oldham residents likely to be impacted. Indications are that:

- Over 10,000 residents are likely to be impacted by JSA (Jobseeker's Allowance), Universal Credit (UC) and ESA (Employment and Support Allowance) freezes.
- More than 31,000 households to be impacted by child benefit freezes.
- Approximately 23,000 households to be impacted by tax credit changes.
- Approximately 93,000 residents to be affected by changes to Income Tax and National Insurance.
- Over 2,800 residents to be affected by changes to the minimum wage.
- Approximately 8,700 residents to be affected by changes to housing benefit.

Devolution

The Greater Manchester Devolution Agreement was signed with the Government in November 2014. It brings both the decision making powers and greater control of financial budgets far closer to the people of Greater Manchester. This gives them and their local representatives control over decisions which have until now been taken at a national or regional level.

The implications of the Cities and Local Government Devolution Act largely relate to providing the legislative context for the implementation of the Manchester Devolution Deal agreed with the Government in November 2014. The Act will provide the context for the Greater Manchester Combined Authority to assume responsibilities currently performed and delivered by other public bodies. The key element of this is that such assumption of powers would only be with the agreement of the public agencies involved e.g. Local Authority and Health Authority functions.

Health and Social Care Devolution

February 2015 saw a Memorandum of Understanding (MoU) signed between the 10 Local Authorities that make up the Association of Greater Manchester Authorities (AGMA), all Greater Manchester Clinical Commissioning Groups (CCGs) and NHS England (NHSE) and from April 2015, Greater Manchester began moving towards taking full control and responsibility of the £6bn Health & Social Care Budget and the creation of its own sustainable Health & Social Care system by 2021.

The areas of the Health & Social care system that are included in the agreement are:

- Acute care (including specialised services);
- Primary care (including management of GP contracts);
- Community services;
- Mental health services;
- Social care;
- Public Health
- Health Education
- Research and Development

As part of the MoU, AGMA, CCGs and NHSE have outlined the following shared objectives. These are to:

- improve the health and wellbeing of all of the residents of Greater Manchester (GM) from early age to the elderly, recognising that this will only be achieved with a focus on prevention of ill health and the promotion of wellbeing. We want to move from having some of the worst health outcomes to having some of the best;
- close the health inequalities gap within GM and between GM and the rest of the UK faster;
- deliver effective integrated health and social care across GM;
- continue to redress the balance of care to move it closer to home where possible;
- strengthen the focus on wellbeing, including greater focus on prevention and public health;
- contribute to growth and to connect people to growth, e.g. supporting employment and early years services; and
- forge a partnership between the NHS, social care, universities and science and knowledge industries for the benefit of the population.

Each locality will continue to build on existing arrangements (e.g. Better Care Fund and Healthier Together) and agree a local area plan for integration of health, social care and public health/prevention to be implemented from April 2016. The Council has worked with Oldham CCG on the completion of a Locality Plan. This will be finalised before the end of March.

The Council is working with the CCG to consider how the Council's Adult Social Care and CCG budgets can be deployed more effectively by joining up delivery of services and working around a pooled budget arrangement. This will build upon the existing pooling arrangements for the Better Care Fund which is currently paid to the CCG but is used in partnership with the Council. There is still much work to be done to take this forward, but good foundations have been laid to facilitate progress in 2016/17.

Better Care Fund and Healthier Together

The Better Care Fund (BCF) was established in 2013 and provides an opportunity to transform local services to provide better integrated care and support. CCGs and Local Authorities must jointly agree how the funds are spent, so it is essential to ensure the fund is developed in the interests of both parties. As advised above, this has been working effectively for some time. The Government announced as part of the SR that an additional £1.5bn of BCF funding would be available nationally to Local Authorities from April 2017 to support the integration of health and social care. Initial allocations of funding have been included in the MTFS and allocated to health and social care provision.

Healthier Together is a key element of health and social care reform across GM and is concerned with the reconfiguration of hospitals and primary care across Greater Manchester. Decisions taken in 2015 result in the creation of four single services (network of hospitals) in GM which commissioners believe will improve outcomes for patients and cost less money. The Royal Oldham Hospital will be in a network with North Manchester, Rochdale and Bury hospitals and Oldham will be one of four hospitals across GM which provides general emergency surgery.

1.3.5 Other Changes Expected in 2016/17

The Government set out its legislative programme in the Queen's Speech presented on 27 May 2015. This will result in further changes to the role of, and arrangements for Local Authorities. Key changes in the national policy and landscape include:

- **Welfare Reform and Work Bill** – This Bill details the requirement for the Secretary of State to report on progress towards full employment and apprenticeships targets; the effect of support for troubled families; social mobility; the benefit cap; social security and tax credits; loans for mortgage interest and to social housing rents. This Bill is currently passing through the House of Lords, having been formally passed through the House of Commons. The Bill is currently at the final stage (third reading) prior to its passing as legislation. It is expected that the Bill will formally become legislation following the Final Report Stage in the House of Lords.
- **Enterprise Bill** - This Bill will seek to reduce regulation on small businesses in a bid to boost job creation. The Bill will also create the Small Business Conciliation Service to help settle disputes between small and large businesses. In addition to

this the government aims to improve the business rate system by 2017 and cap public sector redundancy payments.

- **Tax Lock Commitment - National Insurance Contributions/Finance Act** - This wide-ranging legislation is designed to implement a series of tax pledges made by the Conservatives during the general election campaign, specifically that there would be no rise in Income Tax rates, VAT or National Insurance before 2020. It will also raise the threshold before people pay Income Tax to £12,500. The Finance Act 2015 received Royal Assent on 18 November 2015 whilst the National Insurance Contributions (Rate Ceilings) Act 2015 received Royal Assent on 17 December 2015.
- **Childcare Bill** - The Childcare Bill includes measures to help working people by increasing the provision of free childcare. This will increase the level of free childcare to parents to 30 hours a week for 38 weeks of the year. This was confirmed in the SR.
- **Housing and Planning Bill** - This Bill plans to support home ownership by extending the right to buy scheme for social housing tenants in England. There will also be help for first time buyers with 200,000 starter homes being made available at a 20% discount. This was confirmed in the SR.
- **Energy Bill** - Measures will be introduced to increase energy security and ensure there will be affordable and reliable energy for businesses and families. The Government proposes to establish the Oil and Gas Authority as an independent regulator and would transfer responsibility for giving consent for any offshore wind farms in England and Wales from Whitehall to local planning authorities.
- **Trades Union Bill** - The main elements of the Bill are a 50% voting threshold for union strike ballot turnouts, and a requirement that 40% of those entitled to vote must back action in essential public services - health, education, fire and transport. There will also be the introduction of "a transparent opt-in process for the political fund element of trade union subscriptions".
- **Education and Adoption Bill** - This Bill is designed to raise standards in schools. Under the plans, new powers would be brought forward to speed up the process of changing a failing school's leadership and turning it into an academy. The Bill will also give the Secretary of State for Education new powers to force local Councils to hand over their responsibilities for adoption to another authority or agency.
- **Cities and Local Government Devolution Act** - This paves the way for powers over housing, transport, planning and policing to be devolved to England's cities as part of Government plans for "a balanced economic recovery". Cities that want them will be able to have elected mayors. Royal Assent was gained on 28 January 2016.

Each of these measures will have an impact on the Council which will have to be managed within the Council's MTFs.

1.3.6 National Living Wage

The Government also announced an increase to the National Minimum Wage to £7.20 per hour for those aged 25 and over, branded as a National Living Wage in the Summer budget. The Government's ambition is for this National Living Wage to increase to over £9 per hour by 2020. As the Council currently pays in accord with the higher National Living Wage as championed by the Living Wage Foundation, there is no immediate financial impact of this decision. To date the Foundation's National Living Wage rate, which is reviewed every November, has increased by proportions exceeding the Local Authority national pay awards. Accordingly, in delivering against its commitment to keep pace with the higher National Living Wage, the Council's established pay line and differentials between job roles of different value will come under direct pressure from April 2016, although resources have been included in the budget to address anticipated requirements. Modelling is therefore in progress to quantify the impact in order to inform the decision about future alignment with the Living Wage Foundation's National Living Wage and, if appropriate, the methodology by which this would be achieved.

It is the practice of the Living Wage Foundation to notify increases each year rather than give future projected changes and Members will also be given the opportunity to consider optional strategic forecasting and models, up to 2020, to assess the potential impact of long term alignment with the National Living Wage. In addition, there is a need to take into account the issue of schools and Oldham Trading Group alignment with Council pay rates, where we remain the employer and there will be Legal Services input to the work which addresses this.

Work has already taken place to assess the impact of the Government's plans for the National Minimum Wage on Council budgets in the longer term, specifically in relation to social care provision. Although less critical to suppliers of technical and professional services, it remains essential to monitor the impact of the National Minimum Wage rate on both Council budgets and small businesses in the borough and the potential for small firms to be driven out of business by having to pay the higher costs. Furthermore, the difficulties for at least some suppliers and local businesses to afford the higher still National Living Wage rate represents a very real challenge to the Council's commitment to Fair Employment and, within this, to improve the terms and conditions of employment of residents and employees across the Oldham Borough. It is worth noting in this regard that Oldham has the highest number of jobs (21,000) paid below the living wage than any other GM borough. This is equivalent to 33.7% of all local jobs in the annual wage survey.

1.3.7 Employment

As elsewhere in the country, the global banking crisis directly impacted a high proportion of our residents resulting in high levels of unemployment, sanctions and youth unemployment. Whilst nationally over the last year unemployment has fallen, the impact in Oldham has been more severe than the national picture. A recent economic analysis assessing the impact on Oldham residents identifies for the month of December that:

- Unemployment has increased by 85 claimants over the November figure. As of December 2015 there were 4,270 people in Oldham unemployed.

- The unemployment rate in Oldham at 3.0% is the joint highest rate across Greater Manchester and higher than the national average of 1.7%.
- There are significant differences in the unemployment rates between electoral wards with unemployment in Coldhurst at 6.5% being much higher than the lowest ward of Saddleworth North at 0.8%.
- The youth unemployment rate in Oldham of 6.2% is the highest across Greater Manchester.

By continuing investment in the Get Oldham Working initiative and working with employers across the borough, the Council is striving to provide opportunities to reverse these trends.

1.4 Key Assumptions

A number of assumptions have been made in developing the MTFS. The accuracy of these assumptions is regularly and closely monitored and any necessary amendments made. As highlighted previously, there is some uncertainty around Government funding in particular and this has an impact on the way that some of the assumptions have been made.

1.4.1 Revenue Funding

The Council's revenue funding comes through a number of different sources including Council Tax, Business Rates and Central Government support:

- **Council Tax Income**

This is the largest single revenue stream that is used to support the Council's revenue budget. Council Tax income changes each year due to changes in the tax-base (increase/decrease in chargeable Band D equivalent properties) and the Council's annual decisions on the level of the tax.

- **Business Rates**

Following from the changes introduced in 2013, the Council retains 49% of the Business Rates it collects (1% is paid to Greater Manchester Fire and Rescue Authority and 50% to the Government). Given the low Business Rates tax base, the Council receives additional support from Central Government via the Business Rates Top Up grant. As outlined in section 1.3.2, the Government intends to consult on the introduction of 100% retention of Business Rates income by 2020/21.

- **Revenue Support Grant**

The RSG is the largest unringfenced general fund grant that is provided by Central Government. As an unringfenced grant this underpins the provision of all services provided by the Council. As outlined in section 1.3.2 the Government plans to phase out the RSG by the end of Parliament so that Councils will be self-financed using Council Tax and funding the Council will receive via the 100% Business Rates retention regime.

- **Other Grants**

The Council receives a range of other unringfenced grants from Government, although each of them is aimed at addressing specific issues, they are also used to underpin the general operation of Council and not specific services. As part of the Business Rate consultation the Government will also review the allocation of these resources.

In addition, there are ringfenced grants which have to be used for the purpose intended. These include Dedicated Schools Grant, Public Health Grant and Housing Benefit Subsidy.

1.4.2 Revenue Funding Assumptions

The key revenue funding assumptions included in the Council's MTFS are:

Council Tax

The MTFS assumes a Tax Base (the number of Band D equivalent properties) increase in 2016/17 of 1,005 as a result of issues such as new properties being built, less households claiming Council Tax Reduction and empty properties being brought back into use. An increase has been assumed in the tax bases for 2017/18 to 2020/21.

A general Council Tax increase of 1.70% in 2016/17 and of up to 1.99% year on year from 2017/18 to 2020/21 has been assumed in the MTFS. It is also assumed that a 2% Adult Social Care precept will be levied year on year from 2016/17 to 2020/21. This produces a 3.70% Council Tax increase in 2016/17 and 3.99% increase year on year from 2017/18 to 2020/21.

Following the Government announcement that a 2% precept can be charged to fund the costs of Adult Social Care from April 2016 the referendum limit on raising Council Tax has been increased from 2% to 4% for 2016/17. This is assumed to be unchanged across all years of the MTFS.

Business Rates

Following the announcement of the implementation of the 100% Business Rates retention by 2020, the Council's MTFS has been updated to reflect this, although there is uncertainty as to how this will be implemented and the impact it will have on Oldham.

For 2016/17 to 2019/20 the Council's MTFS assumes that the existing Retention of Business Rates system will remain in place. The expected Business Rates income has been calculated using the Government's assessment announced in the Local Government Finance Settlement adjusted for local knowledge and experience of the collection rates in 2014/15 and 2015/16. Top Up Grant estimates are based upon the Settlement.

Although the new Business Rates regime is expected to be in place from 2020/21 no attempt has been made to estimate its impact and 2020/21 has been treated in the same manner as all earlier MTFS years.

During 2016/17, the Council will receive the Small Business Rates Relief Grant under the powers of Section 31 of the Local Government Act 2003. This grant is assumed to end in 2017/18 but this should not impact on the overall level of the Council's funding as this should result in a corresponding increase in Business Rates.

The Council will also receive the Section 31 Multiplier Cap Grant in 2016/17. The MTFS assumes the grant will be paid at the same level for the period of the MTFS.

Business Rates Pooling

The Council will be a member of a 2016/17 Business Rates pool with the nine other Greater Manchester Councils, Cheshire East and Cheshire West and Chester Councils. This pooling arrangement should bring some financial benefits. The resources available from the Business Rates pool are expected to be for use at Greater Manchester level and no direct benefit to Oldham has been assumed at this time. The continuation of the pooling arrangement beyond 2016/17 has not been assumed.

Revenue Support Grant

Revenue Support Grant (RSG) MTFS estimates for 2016/17 are based upon the four year figures included in the Settlement. The MTFS assumes that the RSG will be phased out in full by 2020/21 following the implementation of the 100% Business Rates Retention regime outlined above, however, as advised above, no attempt has been made to estimate the impact of the new funding regime so an assumed RSG figure has been included in 2020/21.

Public Health

Public Health Grant has been reduced by £200m across all Local Authorities in 2015/16, the direct impact on Oldham being a loss of £1.057m. This in year reduction in grant has been met from reductions in spend and one-off resources such as reserves. Public Health funding for 2016/17 was announced on 11 February 2016 with a grant allocation of £17.775m. This confirmed the 2015/16 in-year cut and represents a further loss in funding of £0.411m when compared to a full year comparative allocation for 2015/16. The MTFS includes £0.510m in 2016/17 to offset the reduction in the grant. The MTFS assumes that any further grant reductions above this amount will be found through spend reductions creating a cost neutral position. The allocation for 2017/18 has been notified at £17.337m.

Public Health Grant is ringfenced for only 2016/17 and 2017/18 after which time the Government expects funding should be available from Business Rates. The potential impact on the general resources of the Council could be significant. However as no detail around Governments intentions for Public Health have been announced, a neutral position has been assumed.

Better Care Fund

The Council expects to secure additional funding paid as a grant directly to the Local Authority. The funding commences 2017/18 and increases up to 2019/20. Part of the allocation is intended to compensate Authorities with a low Council Tax Tax Base that cannot secure full recompense for adult social care pressures from a 2% adult social care precept.

An allocation of £0.716m has been included in 2017/18 increasing to £8.150m by 2019/20. It is assumed for planning purposes that the full improved Better Care Fund allocation will be required to meet additional social care pressures.

Other Grants

MTFS estimates for 2016/17 are based on the allocations that have been advised via the Local Government Finance Settlement alongside supplementary grant allocations

paid by Central Government. For 2017/18 to 2020/21 funding estimates are based on Treasury assumptions on the whole of the public sector, expert Local Government commentators' advice and local experience and knowledge.

Ringfenced grants are based on the allocations that have been notified by the funding body.

1.4.3 Reserves and Balances

The Council's accounts for 2014/15 were prepared based on there being £85.046m of earmarked reserves that could be used to support General Fund Services. Schools and grant related reserves are excluded from this figure and are held in separate reserves. At month 8 2015/16, £8.166m of these reserves had been utilised and further resources will be called down to support planned spending during the remainder of 2015/16 with some reserves topped up leaving an estimated balance of £76.880m going into 2016/17.

The Council's reserves policy sets out the priorities for setting monies aside and identifying reserve requirements on a corporate basis. As financial resources reduce it will become increasingly important to ensure monies set aside in reserves are considered appropriately so that they can be used to have maximum effect. This also ensures that the Council is able to demonstrate its financial resilience as detailed in section 5. The Council's reserves as at 1 April 2015 and the anticipated position at 31 March 2016 are shown below:

Table 2 – Reserves Position

Earmarked Reserves	2015/16 Opening Balance £m	2015/16 Estimated Closing Balance £m
PFI Sinking Fund Reserve	3.209	3.209
Budget Reserve	3.560	3.560
Business Units Reserve	0.756	0.756
Children's Reserve	2.000	1.794
District Partnership Reserve	0.882	0.440
Efficiency Reserve	6.000	6.000
Fiscal Mitigation Reserve	1.962	1.962
Future Liabilities Reserve	3.844	3.844
Insurance Reserve	12.968	12.968
PFI Reserves	6.770	6.770
Special Projects Reserve	5.453	4.938
Levy Reserve (Waste Smoothing)	2.643	2.643
Adverse Weather Reserve	1.643	1.643
Taxation Reserve	0.603	0.603
Directorate Reserves	6.338	3.567
Corporate Strategy	26.415	22.183
Total	85.046	76.880

The Corporate Strategy Reserve encompasses resources set aside to assist with the fulfilment of strategic priorities and includes:

- General Capital Reserve
- Demand Changes Reserve
- 0-5 Years Reserve
- Pay and Reward Reserve
- Commissioning and Legal Challenges Reserve
- Equipment Replacement/Building Maintenance Costs Reserve
- Learning and Attainment Reserve
- Devolution Reserve
- Economic Downturn Reserve
- Business Rates Reserve

With continued reductions in funding expected over the period of the MTFS, the use of reserves will allow the Council to mitigate the need for additional budget reductions. The position will be managed on an annual basis in accordance with the overall corporate position and prevailing external influences.

At the end of 2014/15 the Council closed its accounts with balances of £18.122m. A risk based review of balances has taken place to support 2016/17 budget setting and this suggests a prudent level of balances is £18.557m. The Month 8 financial monitoring report is currently projecting an under spend of £445k which would suggest the recommended level of balances can be achieved.

1.4.4 Flexible use of Capital Receipts

The Local Government Finance Settlement included new guidance that gives the flexibility to use capital receipts for qualifying revenue expenditure. This will be subject to the preparation of an efficiency plan and Council approval.

Qualifying expenditure must improve efficiency or generate revenue savings in future years. Examples include:

- Shared services
- Feasibility studies
- Inter-authority cooperation
- Service reconfiguration
- Digital delivery
- Improving counter-fraud systems

The MTFS has been prepared with no assumption of such a use of capital receipts.

1.4.5 Revenue Expenditure Assumptions

The key assumption in calculating the Council's MTFS is the expected levels of revenue expenditure are based upon the previous year's revenue budget allocations for each Portfolio, adjusted for any approved budget reductions and growth items.

Other assumptions relating to expected levels of expenditure within the Council's MTFS are:

- Portfolios will not overspend against their approved budget allocations.
- Budget pressures other than those that are approved to be funded corporately are expected to be met from within the Portfolio's approved allocations.
- There is a need to provide a budget allocation to address corporate pressures estimated at £0.750m in 2017/18 increasing to £1.750m in 2018/19 and £2.000m in 2019/20.
- Options for budget reductions are presented to and approved by Council as part of the budget setting process each year. These reductions are integrated into the base budget and are owned by the appropriate budget manager.
- Pay inflationary increases have been based upon local and national experience. The MTFS includes an assumed 1% year on year increase in pay.
- Non-pay inflationary increases are based on the latest Office for National Statistics assumptions for inflation. The MTFS includes an average 0.30% for inflation adjusted for local conditions and contractual agreements.
- Pension contributions are based upon the valuation and information provided by the Greater Manchester Pension Fund
- Capital financing interest payable and receivable are based on current market and economic outlook in line with the Council's Treasury Management Strategy

1.4.6 Levies

Estimates of expected levy payments within the MTFS are based upon the information provided by the Greater Manchester Waste Disposal Authority (GMWDA), the Greater Manchester Combined Authority (GMCA) and Environment Agency.

GMWDA

The GMWDA approved its 2016/17 budget and levies to the Greater Manchester Districts on 12 February 2016. Oldham's levy for 2016/17 was set at £15.897m which is a reduction of £0.676m from the 2015/16 levy of £16.573m. The GMWDA has however indicated an expectation that the levy will increase over the next four years given the impact of the Private Finance Initiative (PFI) scheme around which waste disposal facilities have been financed. An estimated increase of £1.732m has been assumed for 2017/18 with further increases for each year of the MTFS. There is a Waste Smoothing Reserve which prior to the start of 2015/16 stood at £2.643m. It is envisaged that this reserve can be used to support the budget as the levy increases. As the use of the reserves is only a one off, there will be a requirement to continue to top up this reserve to provide funds to offset future year increases in the waste levy.

GMCA

The GMCA met on 29 January 2016 and approved its budget for 2016/17. Oldham's Transport for Greater Manchester (TFGM) levy was set at £15.848m which is £0.489m lower than levied in 2015/16. However, this is offset by an increase in the GMCA non-transport budgets as the contribution for other services increased from £0.351m to £0.835m.

The GMCA has not been able to provide future year forecasts at this point in time as there will be significant developments during 2017 with the election of an Elected Mayor for the City Region and the increase in devolved powers including the transfer of

responsibilities for the Police and Crime Commissioner and the GM Fire and Rescue Service. This will greatly extend the scope of the Combined Authority and the details of this are still being worked through with Government including the governance arrangements and funding mechanisms which will apply.

Environment Agency

On 8 February 2016 the Environment Agency published its confirmed levy figures for 2016/17. It was confirmed that Oldham's levy will increase slightly in 2016/17 by £0.001m to £0.101m. As can be seen, the Environment Agency levy is comparatively small and given the pressure on public sector organisations to minimise cost increases and seek efficiency savings, no further increase is anticipated over the life of the MTFS.

1.4.7 Other Contributions

Association of Greater Manchester Authorities (AGMA)

The Council also makes a contribution for the services provided on behalf of the 10 Greater Manchester Councils by AGMA. On 29 January 2016 AGMA contributions were agreed at £0.599m for 2016/17 which is £0.008m more than the Council budget for 2015/16 and £0.008m more than anticipated. This revised sum is assumed across all future years of the MTFS.

1.4.8 Other Revenue Assumptions

Other major areas that impact on the MTFS and the assumptions are outlined below:

- Collection Fund is assumed to achieve a surplus of £0.196m in 2016/17 and a balanced position in all future years.
- Pensions and redundancy costs having to be met directly from revenue funds (there will be no capitalisation opportunities).
- General Balances and reserves are managed on a risk based approach as outlined in Statement of the Chief Financial Officer on Reserves, Robustness of the Estimates and Affordability and Prudence of Capital Investments.
- The Housing Revenue Account continues to operate within the self-financing regime for the two PFI schemes and any surplus or deficit is financed via the Housing Revenue Account Reserve.
- The Dedicated Schools Grant (DSG) provides funding for schools and other pupil related services and is a ring-fenced specific grant. For the purposes of the MTFS it is assumed that all eligible expenditure will be met from this grant and any surplus or deficit from schools will be met from their own school balances.
- Funding linked to working with the CCG and around the BCF continues at planned levels
- Work will continue with the CCG to take forward the integration of Health and Social Care as explained in more depth in the Stakeholder analysis and at a neutral impact over the life of the MTFS.

2.1 Stakeholder Analysis

The following tables detail the key stakeholders that are integral to supporting the Council in providing services. This analysis is used to assess the impact of the budget setting and medium term financial strategy would have on these key stakeholders.

Table 3 - Key Stakeholder Impact Analysis

Health & Wellbeing

Stakeholder	What potential impact might the Council have on them?	Key Joint Programmes	What potential impact might they have on the Council?	Level of potential influence over the Council	Level of interest in the Council's activity	Risks if they are not engaged
Oldham Clinical Commissioning Group (CCG)	<p>Health and Social Care Devolution means that Oldham Council and Oldham Clinical Commissioning Group will begin taking joint control and responsibility of Oldham's integrated Health & Social Care Budget as of April 2016.</p> <p>The Council and CCG are aiming to develop joint governance and commissioning arrangements and will hold shared responsibility for the Oldham health and social care budget and outcomes from 2017.</p> <p>The Locality Plan for Health and Social Care Devolution sets out how that integration might work</p>	<p>Health and Social Care Devolution and the Oldham Locality Plan</p> <p>Better Care Fund</p> <p>GM Healthier Together Programme</p> <p>Social Value and Health Programme</p>	<p>The joint responsibility and control of integrated health and social care means that financial decisions of the Council and CCG will impact greatly upon each other and each will be required to make joint budget decisions</p> <p>Both the CCG and Council will need to be more aware of each other's financial decisions including implications for areas outside of any integrated health and social care commissioning system.</p>	High	High	<p>If not engaged then high risk that integration will not be achieved and outcomes won't be met.</p> <p>Also, need to engage on budget decisions that sit outside of integration but could impact on outcomes.</p>

	<p>in reality and the principles that both organisations will sign up to.</p> <p>Any decision that the CCG or Council makes on health and social care related budgets that sit outside of the agreement could impact on the overall outcomes.</p>					
Pennine Acute (Acute Health provider agency)	<p>The Council commissions and delivers many services that help prevent demand on acute health services (and will begin to commission more jointly with the CCG under Health and Social Care Devolution). If the Council is forced to cut these preventative services, this may ultimately increase demand on acute health services.</p> <p>In addition, the impact of health and social care devolution means that Pennine Acute will need to be aware of the joint health and social care ambitions of the CCG and Council and the joint commissioning intentions.</p>	<p>Health and Social Care Devolution</p> <p>GM Healthier Together Programme</p>	Under devolution there is more potential for Pennine Acute, the Council and Oldham CCG to invest and integrate services.	High	High	An integrated health and social care system may mean that the Council has more responsibility and influence over acute care (in partnership with the CCG) so more engagement might be needed than previously.
Pennine Care (Community Health Provider Agency)	Many community health services have direct service delivery links with Oldham Council. Any changes to (especially reductions in) the Council	Health and Social Care Devolution	There is potential for the Council, the CCG and Pennine Care to work more closely together in an integrated health and social	High	High	Close working between the Council and Pennine Care will be crucial

	<p>services that interact with CCG commissioned services may therefore require matched alterations in the CCG commissioned services to enable the joint offer to continue to be viable.</p> <p>In addition, the impact of health and social care devolution means that Pennine Care will need to be aware of the joint health and social care ambitions of the CCG and Council and the joint commissioning intentions.</p>		care system to reconfigure services to achieve efficiencies and support residents to be more independent and self-reliant.			in enabling us to achieve integration, re-design services locally to reduce demand on high-cost, reactive services.
Oldham Community Leisure Limited (OCLL) (provider)	OCLL receives the majority of its funding from Oldham Council. The Council's financial decisions may therefore have a direct impact on the OCLL contract value.	Active Oldham	The way OCLL delivers its services has the potential to support the Council's co-operative ethos and to support the move towards encouraging residents to be more independent and self-reliant	High	High	As the key commissioners, if the Council chooses to alter their commission, OCLL will be bound to comply. However, their willingness in doing this will make it more likely to succeed.
Positive Steps Oldham (PSO)	PSO receives the majority of its funding from Oldham Council.	Early Help	The way PSO delivers its services has the potential to	High	High	As the key commissioners,

(Provider)	This Council's financial decisions may therefore have a direct impact on the PSO contract value.		support the Council's co-operative ethos and to support the move towards encouraging residents to be more independent and self-reliant			if the Council chooses to alter their commission, PSO will be bound to comply. However, their willingness in doing this will make it more likely to succeed
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Cooperatives and Neighbourhoods

Stakeholder	What potential impact might the Council have on them?	Key Joint Programmes	What potential impact might they have on the Council?	Level of potential influence over the Council	Level of interest in the Council's activity	Risks if they are not engaged
Housing Providers	The Council provides a range of support to tenants in Social Housing - for example, employment-related support; social care support. If these services are altered, Oldham Housing Investment Partnership (OHIP) members would see a change in the services offered to their tenants.	Cooperative Housing Offer Residential Strategy Coops & Neighbourhoods Cluster Early Help Place	Changes to the welfare system and housing benefit are likely to impact greatly on housing providers and their sustainability which may result in a reduction in services to support residents and therefore impact on the Council. Housing providers are also integral to the Council in providing services around early help and a more integrated	High	High	Failure to agree a joint message may result in activity from both organisations being ineffective. If housing associations don't engage

		Leadership	neighbourhood management system. Social Housing Providers have significant influence over their tenants - a joint message supporting independence and self-reliance will increase the likelihood of achieving this objective; conversely, if we do not agree a joint message, there is the potential for us to undermine each other in work with social housing tenants.			with the Council and stop delivering services due to welfare and housing benefit changes this could potentially have a big effect.
Greater Manchester Fire & Rescue Service (GMFRS)	The Council commissions and delivers many services that help reduce demand on GMFRS. If the Council is forced to cut these preventative services, this may ultimately increase demand on GMFRS.	Community Risk Intervention Team (CRIT) Troubled Families Early Help	As GMFRS move towards a preventative model (beyond the Fire and Rescue role) and implement more joint partnership initiatives such as the CRIT they are likely to have a greater impact on the Council and reducing demand on some services like health and social care.	Medium	Medium	Failure to work jointly may result in resources being used ineffectively.
Greater Manchester Police (GMP)	The Council commissions and delivers many services that help reduce demand on GMP. If the Council is forced to cut these preventative services, this may ultimately increase demand on GMP.	Early Help Troubled Families and Transforming Justice, Multi Agency	If GMP can support the Council in identifying people likely to place high demand on GMP and to develop joint interventions to change residents' behaviours to reduce this demand, then this will	High	High	Failure to work jointly may result in resources being used ineffectively.

		Strategic Hub (MASH) Coops & Neighbourhoods Cluster Place Leadership	benefit GMP by reducing demand and contribute to overall objectives of increasing residents' independence and self-reliance.			
Greater Manchester Probation Service	The Council commissions and delivers many services that help reduce demand on the GM Probation Service. If the Council is forced to cut these preventative services, this may ultimately increase demand on the GM Probation Service.	Transforming Justice	If the GM Probation Service can support the Council in identifying people likely to place high demand on GM Probation and to develop joint interventions to change residents' behaviours to reduce this demand, then this will benefit GM Probation by reducing demand and contribute to overall objectives of increasing residents' independence and self-reliance.	Medium	Medium	Failure to work jointly may result in resources being used ineffectively
Voluntary Action Oldham (VAO)	Nearly 40% of funding to the voluntary sector comes from the Council – any budget reduction is likely to have a big impact on the sector and VAO. The Council's co-operative ethos encourages us to work strongly with the voluntary and community sector to strengthen the community's ability to help themselves. This requires close	Society Works Early Help Social Value and Health Programme Coops & Neighbourhoods Cluster	The Council and VAO are working together to enhance the co-operative ethos and to build a co-operative future as part of the devolution deal. VAO is able to provide advice, support and guidance to those voluntary organisations taking up the challenge and working collaboratively with the Council. It can also help us shape a	Medium	High	Failure to work jointly may result in resources being used ineffectively.

	liaison with the voluntary and community sector - both in terms of support from the Council and in terms of the shape of the services offered through the voluntary and community sector, and how they relate to public sector services. The Social Value in health programme aims to build the third sector market in health and social care so they are in a better commissioning place under an integrated health and social care regime.		future – particularly under devolution.			
Oldham Citizens Advice Bureau (CAB)	CAB provides a vital advice and support service to the borough. The impact of cuts across the public sector is likely to have an impact on the demand for CAB services. In addition CAB do receive grant funding from Oldham Council	Early Help	A reduction in CAB activity could mean residents don't have advice and support on a wide range of issues.	Medium		Failure to engage could have reputational impact

Economy & Skills

Stakeholder	What potential impact might the Council have on them?	Key Joint Programmes	What potential impact might they have on the Council?	Level of potential influence over the Council	Level of interest in the Council's activity	Risks if they are not engaged
Economy & Skills						
Education providers:	The change to Further Education under devolution is likely to impact on	Oldham Co-operative	The changes to FE provision under devolution and the	Medium/High	High (but more)	Failure to engage

<p>Oldham Primary Heads, Oldham Secondary Heads, Oldham College & Oldham Sixth Form College</p>	<p>the adult skills budget and provision in Oldham. The Area Review might also impact on college provision.</p> <p>The Oldham Education and Skills Commission (OESC) will have a big impact on school education in Oldham with clear recommendations on developing an independent system, the role of the Oldham teacher and much more.</p> <p>The Council commissions and provides a range of services that dovetail with those provided by formal education providers. For example, Lifelong Learning, the Wellbeing Service, Connexions service. Changes to these services may result in a need to reconfigure the links between the services and the education providers.</p>	<p>Learning Partnership</p> <p>Oldham Education Commission</p> <p>Education & Skills Cluster</p> <p>GM Local Area Review</p>	<p>potential impact of the Area Review at GM could have a big impact on post 16 education provision and adult learning in Oldham – which in turn could have an impact on adult skills. Skill levels are recognised as being poor in Oldham and require improvement as they are key to economic success.</p> <p>The willingness of education providers to work with the Council to implement the OESC recommendations will be critical to driving attainment in the borough</p>		<p>about GM activity)</p>	<p>could disjoint education and skills from wider work areas.</p>
<p>Job Centre Plus (JCP)</p>	<p>One of the Council's key priorities is to support people into employment through Get Oldham Working. The relationship with Job Centre Plus is crucial in the success of this endeavour. In addition, JCP are likely to be direct beneficiaries of the success of the Get Oldham Working</p>	<p>Get Oldham Working</p>	<p>There is a strong synergy between the work of Job Centre Plus and the Council around its Get Oldham Working and other employment initiatives. By working with the Council, joint objectives around improving the employability of Oldham</p>	<p>Medium</p>		<p>Failure to work jointly may result in resources being used ineffectively.</p>

	programme.		residents can be delivered			
Oldham Business Leaders Group	The group of business leaders is key in enabling business start-ups and enterprise and may benefit from any business start-up/youth enterprise funding.	Youth Enterprise GM Local Enterprise Partnership (LEP) Education & Skills Cluster	Potential impact in terms of influence and engagement with business and securing investment	Low to Medium	Low to Medium	Failure to work jointly has reputational impact
Department of Work and Pensions (DWP)	The DWP is a key potential beneficiary if Oldham's focus on supporting people into employment is successful - we will reduce the numbers of people on benefits considerably if we meet our targets. Conversely, if the project is unsuccessful due to the need to make cuts in preventative services, DWP may experience increased costs from higher numbers of unemployed people. This is reflected in GM analysis showing that total public spend in GM has remained static 2008-present because DWP spend has increased as spend in proactive services has reduced. Under devolution, Local Authorities will be able to influence the commissioning of the work programme from 2016 which could	Get Oldham Working Education & Skills Cluster	There is the potential for DWP to choose to invest jointly with the Council in supporting Get Oldham Working, recognising the financial benefits of doing this. This could build on the Work Programme Leavers-type financial arrangements being trialed with GM. There is an opportunity for DWP and the Council (and AGMA) to work more closely with work programme commissioning under the devolution deal.	Medium	Medium	It is important to engage over the work programme. Council spending reductions are likely to have significant impact on residents and the demand placed on the system if we fail to engage effectively on a joint approach to

	mean greater influence for the Council over DWP commissioning.					funding programmes to support people into work.
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Commercial and Wider

Stakeholder Economy & Skills	What potential impact might the Council have on them?	Key Joint Programmes	What potential impact might they have on the Council?	Level of potential influence over the Council	Level of interest in the Council's activity	Risks if they are not engaged
Department of Communities and Local Government (DCLG)	The Council received funding and policy direction from DCLG. Softer implications relate to how willing they are to support the Council (via GM) in negotiations with other Government departments, especially DWP.	DCLG Transformation Fund	Ability to influence the funding settlement for Local Government politically and influence of Oldham at the Local Government Association (LGA).	Medium	Low	Engagement is useful in terms of drawing down funding and resource
The Association of Greater Manchester Authorities (AGMA)/GMCA	Under the devolution deal, the Council will play an even bigger role within AGMA and the GM structures which will impact on the capacity for staff and members – particularly at a senior level. Currently we lead in areas such as New Society, Mental Health and Transport and this is likely to increase as we move towards more devolved powers. Oldham has a positive role to	GM Devolution deals Emerging policy – New Society, Place Leadership Vanguards – in health and PSR Lead programmes	There is high potential for more shared services between AGMA councils as well as more shared policy and direction coming from AGMA through to Councils over the next 5 years.	High	High	Failure to play positive role within AGMA may result in loss of resources and influence.

	<p>play in influencing the direction of Greater Manchester especially in areas such as reform and a new relationship between citizen and state.</p> <p>It is important that, economically, Oldham gets a fair deal and that economic policies are based on need and not overall GM targets.</p>	<p>GM funding streams</p> <p>GM LEP</p>				
Unity (Strategic Service Delivery Partner)	Funded by Oldham Council	Range of commissioned services	In providing operational and strategic support on key services. This partnership can provide support, advice and guidance to the Council on the delivery of efficiencies and reducing costs.	High	High	Failure to work jointly may result in resources being used ineffectively and budget reduction proposals not being achieved.

2.2 Non-Financial Influences on the MFTS

The Council has a range of strategies, policies and work programmes that directly influence the day to day operations of the Council and indirectly the financial position. Some of the key elements that have an influence on the MFTS are set out in the following paragraphs.

2.2.1 Corporate Plan and Oldham Plan

The new Corporate Plan was approved by Full Council in May 2015. Clearly the Plan can only be achieved by linking to the objectives to the resources available to the Council. This is much easier to align over a shorter timeframe where financial forecasts can be prepared with more certainty. The overarching ambition is to deliver a co-operative future, where everyone does their bit to create a confident and ambitious borough. This is underpinned by three corporate objectives and the review process approved the addition of a number of corporate outcomes under each objective which help in further articulating our ambition for Oldham. They are as follows:

A productive place where business and enterprise thrive

- **Open for business:** We'll make Oldham a place to invest and do business
- **A regenerated borough:** We'll bring forward key regeneration projects to grow the business base, create jobs and transform Oldham into a vibrant borough
- **A working borough:** We'll work with partners to create job opportunities for local people ranging from training opportunities and apprenticeships to quality jobs that pay a decent wage. Through the Education and Skills Commission we will work with partners to improve educations and skills outcomes for all our young people, giving them the best possible preparation for adulthood and the world of work.

Confident communities where everyone does their bit

- **Confident and involved communities:** We'll work with residents and partners to create a co-operative borough where everyone does their bit and understand the issues affecting people in Oldham and campaign to get a fairer deal for residents.
- **Healthy communities:** We'll work proactively with residents and partners to promote healthy, independent lifestyles.
- **Safe, strong and sustainable communities:** We'll work with residents and partners to create cohesive communities which are well cared for, safe and which have decent homes.

A co-operative council delivering good services to support a co-operative borough

- **Getting the basics right:** We'll deliver the services we are responsible for efficiently and ethically and listen to resident feedback to ensure their satisfaction with services
- **Responsible with resources:** We have a capable, motivated and healthy workforce and use all our resources responsibly to deliver services in-house or, when needed commission services, which have public service, quality outcomes and value for money at their heart.
- **Reforming and empowering public services:** We'll work with communities, partners and Districts across the borough and Greater Manchester to reform public services and encourage innovation, leading to even better outcomes and service delivery.

A refreshed Oldham Plan was also endorsed by Full Council in May 2015 which aligns the plans of the Council to other key organisations. It moves beyond individual organisations and institutions to create a shared vision for the borough and Oldham residents with the aim of making Oldham 'a place of ambition where people and communities flourish'.

The Plan builds on the positive role that Oldham plays in Greater Manchester and the City Region which will become more important as we move down the path to greater devolution in the coming years.

The Plan's Vision is '*to be a place of ambition where people and communities flourish*'. This is underpinned by three priority outcomes which are aligned with the Partnership's three commissioning clusters:

- Investment, skills and good quality jobs (led by the Economy and Skills Cluster)
- Resilient and co-operative people and communities who flourish and cope well with change (led by the Co-operatives and Neighbourhoods Cluster)
- Healthy, happy and confident people and communities (led by the Health and Wellbeing Cluster)

2.2.2 Co-operative Borough

Oldham is committed to developing a co-operative future; one where citizens, partners and staff work together to improve the borough and create a confident and ambitious borough. The Corporate Plan outlines the next steps to build on our achievements to date and open up more opportunities. Key initiatives to take forward the ambitions of the Co-operative borough include:-

- Development of a performance management methodology to allow us to measure the co-operative difference that different initiatives and projects make to place, people and public services
- Development of new co-operative campaigns in partnership with organisations across the borough.

- Development of investable propositions to tackle shared priorities, deliver differently and move towards joint commissioning.
- Development and delivery the Generation Oldham community energy initiative ensure all links are made with AGMA and national policy development.
- Supporting the identification, scoping, development and delivery of co-operative change initiatives to address need/reduce demand e.g. social prescribing and community shop.

2.2.3 Oldham Education and Skills Commission

In 2014 Oldham launched an Education and Skills Commission to help raise local standards and aspirations so that every child can achieve their full potential. This has made recommendations on:

- Transforming outcomes through the development of a new school-led education system for Oldham including a strengthened Oldham teacher and Oldham curriculum
- Alignment of the education system with the economy including the development of adult skills and strengthening careers advice and guidance
- Levering in the Co-operative difference by strengthening school governors, early years and school readiness and parental contribution.

The recommendations will be implemented in 2016 alongside a strengthened Economy and Skills Strategy.

2.2.4 Oldham Economy and Skills Strategy

The Council is currently developing an Economy and Skills strategy to be implemented from 2016 onwards. This will be based upon the evidence in the Local Economic Strategy and include clear goals on:

- Increasing investment and business start-up and survival
- Strengthening local partnerships between business, education and the community to better equip people to succeed in work (building on the Education and Skills Commission recommendations)
- Contributing to Oldham becoming a productive place with healthy, aspirational and sustainable communities

2.2.5 People Strategy

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

2.2.6 Capital Strategy

The Capital Strategy provides a framework within which the Council's Capital Investment plans will be delivered. These plans are driven by the Council's Corporate

Plan. The Capital Strategy has been prepared to take account of the ambition for the borough including the major regeneration developments within the Town Centre as well as borough-wide, to ensure that new school buildings and extensions are delivered as well as ensuring that the highways network and corporate estate are adequately maintained

2.2.7 Treasury Management Strategy

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

The Strategy for 2016/17 reflects capital expenditure plans and highlights the Councils position in relation to prudential indicators arising from the capital strategy and also sets out the Minimum Revenue Provision (MRP) Policy Statement. It also highlights the:

- Current Treasury Position
- Treasury Indicators for the three years 2016/17 to 2018/19
- Prospects for Interest Rates
- Borrowing Requirement
- Borrowing Strategy
- Policy on Borrowing in Advance of Need
- Debt Rescheduling Position
- Investment Strategy
- Creditworthiness Policy
- Policy on use of external service providers

The strategy therefore determines how the Council makes the most efficient use of its cash resources by the careful management of borrowing and investments.

2.2.8 Medium Term Property Strategy (MTPS)

The evolving MTPS (formerly the Asset Management Plan) sets out a framework for strategic management of the Council’s land and property portfolio, reflecting corporate priorities, aims and objectives and driving transformational change in service delivery. Aligned to individual service priorities, individual schemes are included within approved capital spending plans or are to be considered for a resource allocation over the period of the capital strategy.

The Council is currently reviewing the structure of the corporate property function and anticipates making further changes which will improve the way in which the strategic property objectives can be delivered. This will enable the Council to accelerate progress and realise benefits within a shorter timeframe, whilst maximising regeneration and inward investment opportunities.

2.2.9 Procurement

The Council's Procurement policy focuses on procurement activity which has the optimum balance of cost, quality and local social value. Whilst ensuring that significant commercial risks are identified and mitigated at the commissioning stage of the procurement activity.

Value for money reviews are conducted and social value outputs are measured to support the Council's co-operative ambitions. This goes beyond the conventional assumptions of value for money by considering how we secure the greatest social, economic and environmental benefit from the Council's purchasing power.

2.2.10 Housing Strategy

In March 2015 the Council approved the Oldham Housing Strategy for 2015/16 to 2017/18.

The Strategy sets out current challenges, Oldham's vision for Housing and how it will work within Greater Manchester to deliver on its four key themes:

- Residential Growth
- Healthy Homes
- Improving Neighbourhoods
- Building Stronger Communities

The strategy provides a framework to support other housing themed delivery plans relating to issues such as homelessness, residential development, private sector housing and affordable warmth. It also links in to other key council initiatives such as 'Invest in Oldham' and 'Get Oldham Working'.

2.2.11 Public Service Reform

Greater Manchester has been a significant national driver behind work on Public Service Reform. This has involved looking both at new delivery models, and at new funding and evaluation models. This has notably contributed to significant developments in relations between GM and national Government, such as the GM Devolution agreement.

Within this Greater Manchester context, Oldham's approach to Public Service Reform (PSR) is focused on developing a model of services that are centered around a "place" and applying the cooperative values and principles to improve residents' self-reliance and resilience and reduce their need for public services.

To date, much of this has focused on work with troubled families and households with complex dependencies. Following a number of pilots (including the Family Focus Teams and Project Solution, a joint project with Greater Manchester Police to reduce demand on the police), the Council has used the learning to develop an Early Help Offer, designed to intervene at the earliest possible point across a range of complex

dependencies; understand the root cause of problems; and provide support to individuals and families to give them the skills to address these problems.

The Early Help Offer went live on 1 April 2015 and will reach around 3,500 households per year on a 1:1 basis and around another 4,000 through group-work and one-off appointments. It establishes a new delivery model for people with complex dependencies that reflects a person and family-centered approach that provides interventions at the earliest possible opportunity. The approach builds on positive aspects and looks to strengthen resilience rather than solely focusing on needs and problems. The approach recognises the complexities and vulnerability of individuals and families which do not fit neatly into single service offers around issues relating to mental health, drugs and alcohol, housing or parenting. It is early days for the Early Help Offer, but the signs are very positive in terms of the improvements in outcomes that families supported through the Offer are experiencing.

In parallel with implementing the Early Help Offer, the Council is also now exploring opportunities for applying the learning gained from this work and other projects such as Get Oldham Growing and Get Oldham Working to additional areas of activity, to further embed the ambition of a place-based approach to reform. Ultimately, the ambition is to build resilient communities across Oldham, and this is currently in the process of being embedded into Oldham's Locality Plan as part of the GM Devolution work.

2.2.12 Strategic Financial Management

As part of the Finance Transformation Programme, which aims to deliver a high class financial service that will greatly assist in the robustness of the MTFs, the Finance Service has brought about well documented improvements in a number of areas. These include amongst others, planning for a two year budget cycle, early closure of the Council's accounts, reduction in debtors, undertaking all Fundamental Financial Systems (FFS) audits to support the work of the External Auditor, working with managers on risks identified, greatly improved staff development and training and developing project management skills for all key staff.

A key proposed development is Self Service Transformation (SST) Programme which aims to improve systems and the way we work with a particular focus on Finance and People Services and embedding self-service in front line services. The Programme will see the upgrade of the Finance Agresso system and the People Services HR & Payroll system moving from the Vision system to an integrated Agresso system. This will result in a more efficient and intuitive system facilitating the take up of self service in line with the Council's efficiency agenda. The Programme will also address wider business transformation issues, looking at improvements to policies and procedures, management information and helping to create greater front line ownership of finance and personnel procedures. The programme will also ensure lean processes throughout.

3 THE COUNCIL'S BUDGET CHALLENGE

Oldham is well positioned to be able to adapt and adjust to meet some of the new challenges. Many improvements have been made by the Council and this has led to a number of positive outcomes and achievements. This was been recognised through the award of the 'Most Improved Council' in March 2012. The changes that have been made have provided a firm base from which to reposition the Council. This means developing different ways of working and preparing for how the Council will deliver services in future, for example, moving from being a provider of services to an enabler of service provision.

3.1 2015/16 Updated Position

The 2015/16 budget was approved by Council at 25 February 2015 Council meeting where it agreed a net revenue budget of £195.800m. Since the 2015/16 budget report was presented to Council, there have been a number of further funding allocations and amendments. The budget for 2015/16 has therefore increased to £207.412m and this is therefore the revised base budget for 2016/17.

Table 4 2015/16 Updated Position

	2015/16 £m	2015/16 £m
Net Revenue Budget as at 25 February 2015		195.800
Adjusted for use of reserves		0.195
Adjusted Net Revenue Budget		195.995
New One-Off Grant Funding Received		
Revised Notification of General Grant Funding (including a Multiplier Cap Adjustment)	0.265	
Special Education Needs and Disability Regional Lead	0.055	
Staying Put Grant	0.039	
Welfare Reform Grant	0.054	
New Burdens Funding - Deprivation of Liberty	0.120	
New Burdens Funding - Land Searches	0.057	
New Burdens Funding - Independent Living Fund	2.244	
Capital Grants	8.778	
Adjustment to Use of reserves	(0.195)	
Total One Off Budget Adjustments		11.417
Total Revised Net Revenue Budget		207.412

3.2 2016/17 Forecast Revenue Position

The 2016/17 budget that was initially presented to Council required estimated budget reductions of £29.489m to achieve a balanced position. This was adjusted in October 2015 with a proposed net revenue budget of £182.583m requiring expected budget reductions of £18.194m (£17.999m after the use of reserves). A range of options for budget reductions were prepared to bridge this gap. The 4 November and 16 December Council meetings approved budget reductions collectively totaling £10.967m and some proposals were noted as consultation processes had not concluded.

A S188 notice was issued on 16 November outlining a final tranche of budget reduction proposals totaling £2.560m. This, together with other deferred items meant that there was a total of £5.077m of budget reduction proposals available for approval. This was £1.955m short of the required level of budget reductions but the strategy agreed was that no proposals were to be prepared to address the remaining gap pending the receipt of the Provisional Local Government Finance Settlement (PLGFS).

Following the receipt of the Provisional Settlement and subsequent confirmation in the Final Settlement, related Government grant funding notifications, the calculation of the Council Tax Base, Business Rates Tax Base, Collection Fund surplus and the review of business rates grants, together with the determination of Council Tax policy, the net revenue funding baseline for 2016/17 has changed from £182.583m by £7.740m to £190,323m. The table below details the movements in funding:

Table 5 Changes to Funding arising from the LGFS

Changes to funding after the Local Government Finance Settlement and Revision to Estimates	Expected Position £m	After Settlement £m	Difference £m
General Government Grants – Settlement	10.956	10.646	(0.310)
Small Business Rates Relief Grants	1.369	1.508	0.139
Settlement Funding Assessment	93.338	99.140	5.802
Total Change – Government Grants and SFA	105.663	111.294	5.631
Council Tax for Council Use	76.485	77.073	0.588
2% Adult Social Care Precept	0.000	1.515	1.515
Collection Fund Surplus	0.196	0.196	0.000
TOTAL CHANGE TO COUNCIL RESOURCES	182.344	190.078	7.734
Parish Precept – Ringfenced to Parishes	0.239	0.245	0.006
TOTAL CHANGE TO FUNDING	182.583	190.323	7.740

Offsetting some of this additional resource, were additional pressures totaling £2.139m, the most significant of which was the increase in the projection of the cost of the National Minimum Wage in relation to the provision of adult social care

Table 6 Additional Cost Pressures

Additional Cost Pressures	Expected Position £m	Revised position £m	Change £m
Parish Precept – Ringfenced to Parishes	0.239	0.245	0.006
Pay Award	0.917	0.950	0.033
Fair Employment Charter - Adult Social Care National Living Wage	0.600	2.700	2.100
TOTAL CHANGE TO COST PRESSURES	1.756	3.895	2.139

In total, this resulted in a rise of net resources equaling £5.601m. After accounting for a net £0.508m adjustment to the base budget in relation to funding still under consultation, this left £5.093m available to address budget pressures and meant in the first instance, that there was no need to address the £1.955m remaining budget reduction requirement. The table below shows how the remaining £3.138m was deployed in addressing on-going and emerging budget resilience issues.

Table 7 Budget Issues Addressed Post LGFS

Budget issues to be addressed	2016/17 £m	2016/17 £m
- Removal of previously stated budget reduction requirement		1.955
Budget Resilience Issues:		
- Social Worker Retention	0.091	
- Social Care Redesign	0.380	
- Children's Social Care Commissioning	0.200	
- Car Parking Income	0.243	
- Market Rental Income	0.350	
- Coroners Service	0.100	
- Early Years Commissioning	0.183	
- School Places and Planning	0.150	
- Deprivation of Liberty Safeguarding	0.375	
- Impact of Public Health Grant Reduction	0.510	
- Early Help	0.375	
- Special Educational Needs	0.181	
Total Budget Resilience Issues		3.138
Value of Budget Issues Addressed		5.093

Taking into account Budget Reduction Proposals of £16.044m shown below, this has therefore resulted in an overall balanced position for 2016/17 which is detailed at Table 10 of this report.

Table 8 2016/17 Budget Reduction Proposals

Budget Reductions	£m	£m
Budget Reduction Proposals yet to be Approved		
- Tranche 1	1.193	
- Tranche 2	1.244	
- Tranche 3	2.640	
Total for Approval		5.077
Budget Reductions Approved November 4 Council		5.974
Budget Reductions Approved December 16 Council		4.993
Overall Budget Reduction Position		16.044
Represented by:		
- Budget Reduction Proposals reducing expenditure		15.714
- Budget Reduction Proposals using reserves		0.330
Budget Reduction Position		16.044

3.3 2017/18 to 2020/21 Forecast Revenue Position

In order to provide a financial projection covering the five year period of the MTFs, in addition to the projections for 2016/17 highlighted above, estimates have been prepared for the four years 2017/18 to 2020/21.

The financial year 2017/18, is the second year of the two year budget setting timeframe that the Council has been working to. The initial estimate for budget reductions was £29.302m. This then reduced to £25.200m and has now reduced to £20.464m primarily due to changes in assumptions used to calculate the MTFs. The £4.736m reduction is explained in the table below comprising an overall increase in expenditure pressures of £10.858m, an increase in funding of £15.344m and £0.250m additional use of reserves (Budget Reduction Proposal D018 – Income from Deed of Variation).

Table 9 Changes to 2017/18 Estimates

Changes to 2017/18 Estimates	Initial Estimate	Revised Estimate	Change
	£m	£m	£m
- Increase in Base Budget	182.778	190.536	7.758
- Increase in National Insurance	0.065	0.000	(0.065)
- Levies	1.544	1.732	0.188
- Adult Social Care – Impact of National Minimum Wage	1.030	2.445	1.415
- Other Social Care Pressures - Care Act 2014	0.000	0.716	0.716
- Social Care Budget Issues	0.000	0.096	0.096
- Coroners Budget Issues	0.000	0.100	0.100
- Apprentice Levy	0.000	0.400	0.400
- Business Plan	0.500	0.750	0.250
Total Budget Resilience Increase	185.917	196.775	10.858
Less:			
- Increase in Government Grant	60.596	71.090	10.494
- Reduction in Retained Business Rates	29.980	29.868	(0.112)
- Increase Council Tax	77.938	79.107	1.169
- Improved Better Care Fund	0.000	0.716	0.716
- 2% Adult Social Care Precept	0.000	3.071	3.071
- Parish Precepts	0.239	0.245	0.006
Total Increase in Funding	168.753	184.097	15.344
Additional use of Reserves	0.000	0.250	0.250
Overall Change			4.736

Whilst the Government has provided indicative Settlement figures covering four financial years, 2016/17 to 2019/20, there is only certainty of funding in relation to 2016/17. If the Council wishes to take up the Government's offer of a four year Settlement an efficiency plan will need to be developed. Efficiency Plan guidance is awaited.

The level of uncertainty and estimation increases the further into the future that projections are made. The 2017/18 net revenue budget is estimated using calculations based on the key assumptions in section 1.4. A net revenue budget of £184.097m is projected with budget reductions required of £20.464m. The budget is expected to reduce to £184.516m by 2020/21 with cumulative budget reductions required from 2017/18 to 2020/21 of £63.584m

The table below details the assumed financial position for the Council for 2016/17 to 2020/21. The MTFs estimates will be revised and updated on a regular basis during 2016/17 as dictated by future events including the expected transfer of new responsibilities.

Table 10 Estimated Budget and Funding Position 2016/17 to 2020/21

Estimated revenue position 2016/17 to 2020/21	2016/17	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m	£m
Prior Year Net Revenue Budget	207.412	190.323	184.097	184.367	185.167
In Year Adjustment to Base Budget	(11.417)	0.000	0.000	0.000	0.000
Adjustment to Base Budget - One off reserves	0.000	0.250	0.250	0.250	0.250
Adjustment to Base Budget - Capital financing	(4.804)	0.000	0.000	0.000	0.000
Adjustment to Base Budget - New Burdens ILF Grant	2.013	0.000	0.000	0.000	0.000
Adjustment to Base Budget - SEND Reform Grant	0.000	(0.181)	0.000	0.000	0.000
Adjustment to Base Budget - Subject to Consultation	0.508	0.144	0.168	0.108	0.080
Revised Base Position	193.712	190.536	184.515	184.725	185.497
Expenditure Pressures					
- Pensions	0.263	1.474	2.000	2.000	2.000
- Pay Award	0.950	1.000	1.020	1.040	1.061
- Inflation	1.110	1.880	1.917	1.956	1.995
- Investment Fund	0.000	1.682	2.296	2.000	1.000
- Business Plan	1.005	0.750	1.750	2.000	2.100
- Levies	0.000	1.732	1.381	0.490	0.526
- Increase in National Insurance	2.100	0.000	0.000	0.000	0.000
- End of Change to Terms and Conditions	0.000	2.000	0.000	0.000	0.000
- Adults Social Care - Impact of National Living Wage	2.700	2.445	2.467	2.245	2.255
- Other Social Care Pressures - Care Act 2014	0.000	0.716	3.971	3.463	0.000
- Demand Pressures OCS Pensions	0.200	0.000	0.000	0.000	0.000
- Achievement of Earlier Years Savings Proposal	0.196	0.000	0.000	0.000	0.000
- Additional ILF Expenditure	0.987	0.000	0.000	0.000	0.000
- Revised Parish Precept	0.006	0.000	0.000	0.000	0.000
Budget Resilience Issues					
- Social Worker Retention	0.091	0.091	0.000	0.000	0.000
- Social Care Redesign	0.380	0.005	0.000	0.000	0.000
- Children's Social Care Commissioning	0.200	0.000	0.000	0.000	0.000
- Car Parking Income	0.243	0.000	0.000	0.000	0.000
- Market Rental Income	0.350	0.000	0.000	0.000	0.000
- Coroners Service	0.100	0.100	0.000	0.000	0.000
- Early Years Commissioning	0.183	0.000	0.000	0.000	0.000
- School Places and Planning	0.150	0.000	0.000	0.000	0.000
- Deprivation of Liberty Safeguarding	0.375	0.000	0.000	0.000	0.000
- Early Help	0.375	0.000	0.000	0.000	0.000
- SEND Reform	0.181	0.000	0.000	0.000	0.000
- Public Health Grant Reduction	0.510	0.000	0.000	0.000	0.000
- Apprentice Levy	0.000	0.400	0.000	0.000	0.000
Total Budget Pressures/Resilience Issues	12.655	14.275	16.802	15.194	10.937
Less Budget Reduction Proposals	(15.714)	0.000	0.000	0.000	0.000
Total Expenditure	190.653	204.811	201.317	199.919	196.434

Estimated revenue position 2016/17 to 2020/21	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Funded By:					
- Business Rates Top Up	30.237	30.832	31.741	32.756	33.750
- Revenue Support Grant	40.543	30.428	23.600	16.701	11.691
- ILF Grant	2.841	2.748	2.661	2.580	2.500
- Housing Benefit Administration Grant	1.056	0.785	0.392	0.098	0.000
- Council Tax Administration Grant	0.330	0.297	0.267	0.241	0.217
- Education Services Grant	2.505	2.334	1.700	1.576	1.182
- New Homes Bonus	2.767	2.700	2.400	2.400	2.400
- SEND Reform Grant	0.181	0.000	0.000	0.000	0.000
- Improved Better Care Fund Grant	0.000	0.716	4.687	8.150	8.150
- Small Business Rates Relief	1.508	0.000	0.000	0.000	0.000
- Multiplier Cap Grant	0.966	0.966	0.966	0.966	0.966
Total Government Grant Funding	82.934	71.806	68.414	65.468	60.856
- Retained Business Rates	28.360	29.868	29.868	29.868	30.000
- Council Tax Income	77.073	79.107	81.191	83.327	85.515
- Adult Social Care Precept	1.515	3.071	4.649	6.259	7.900
- Parish Precepts	0.245	0.245	0.245	0.245	0.245
- Collection Fund Surplus	0.196	0.000	0.000	0.000	0.000
Revised Budget Funding	190.323	184.097	184.367	185.167	184.516
Net Gap/Budget Reduction Requirement	0.330	20.714	16.950	14.752	11.918
Approved Use of Reserves	(0.330)	(0.250)	(0.250)	(0.250)	0.000
Net Gap/Budget Reduction Requirement (After Use of Reserves)	(0.000)	20.464	16.700	14.502	11.918
2017/18 Impact of 2016/17 Budget Reductions	0.000	(0.229)	0.000	0.000	0.000
Gap Remaining	(0.000)	20.235	16.700	14.502	11.918

In meeting the budget challenge for 2017/18 and future years, the approach and core principles that have been developed will be used as a framework. These are:

- Focussing on our purpose, delivering social value and maximum impact within the financial resources available
- Challenging all areas of the Council
- Working with partners as a Co-operative Borough – with shared aspirations for people and places
- Exploring different delivery and funding models
- Taking a 5 year view on investment and prevention

The Council has already begun the preliminary stages of its next two year budget process for 2017/18 and 2018/19. Clearly the environment going forward will be challenging and ever changing primarily due to the GM devolution agenda. As in previous years the budget process will use the forum of Leadership Star Chamber, which is a tried and tested methodology allowing the detailed review and examination of budget options so that there is clear Cabinet Member support for proposals before their submission for public consultation and scrutiny. Leadership Star Chamber meetings are chaired by the Leader of the Council with support from Cabinet Members and Senior Officers and allow the consideration of budget issues and proposals.

The budget will be reviewed by Directorate area with proposals put forward for consideration. The Directorate areas are as follows:

- Health and Wellbeing
- Cooperatives and Neighbourhoods
- Economy and Skills
- Corporate and Commercial
- Chief Executive and Policy and Governance

Work streams will challenge the current delivery models and identify the future service provision that is available within the financial resources. The work streams will also to analyse and review the value of commissioned and procured services, in order to maximise value of the contract and develop a system of penalties for non-delivery. Future service delivery models and proposals identified by the work streams will be subject to a series of challenge sessions to ensure their fit with corporate priorities and the future vision for the Council. Cross cutting budget proposals will be prepared where possible.

3.4 Forecast Capital Programme and Financing

The Council has prepared a capital strategy for 2016/17 to 2020/2021 and thereby the proposed 2016/17 capital programme including identified capital investment priorities. This, together with the indicative programme for 2017/21, sets capital planning over a five year timeframe, having regard to the resources available to support expected expenditure.

The proposed Capital Strategy and Programme for 2016/17 to 2020/21 take the essential elements of the previous years strategies and programmes and moves them forward in the context of the financial and political environment for 2016/17. This includes the major regeneration developments within the Town Centre as well as borough-wide and other subsequent priority investment decisions.

The general downward trend in capital grant funding has been stemmed in recent years with the introduction of a number of new funding opportunities, some of which carry through to 2016/17 and beyond. The main source of confirmed grant income remains education related with the receipt of Formulaic Basic Need funding totaling £20.909m for the period 2016/17 to 2017/18 and also the confirmation of indicative awards of School Condition Allocation grant for the same period. The Council will also receive a grant allocation under the second phase of the Priority Schools Build Programme for Royton and Crompton school, the scope and final amount is expected to be confirmed during 2016. In addition highways maintenance funding of £2.248m

has been confirmed for 2016/17. Further grant notifications for 2016/17 are still awaited.

The table below sets out the current proposed capital programme for 2016/17 to 2020/21. The revenue impact of the prudential borrowing elements financing the capital programme has been fully budgeted for in the MTFS and is included in the baseline revenue budget. Planned over-programming in 2016/17 is compensated for in 2017/18.

Table 11 Proposed Capital Programme 2016/17 to 2020/21

Proposed Capital Spending	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
Co-operatives and Neighbourhoods	11,888	3,536	2,473	2,173	2,173
Health and Wellbeing	2,655	400	400	400	400
Corporate and Commercial Services	1,055	249	249	249	249
Economy and Skills	59,431	73,824	4,022	1,285	500
Housing Revenue Account	114	0	0	0	0
Funds Yet to be Allocated	5,402	0	0	0	0
Total Expenditure	80,545	78,009	7,144	4,107	3,322
Total Funding	(79,321)	(79,233)	(7,144)	(4,107)	(3,322)
Balance of Resources available by year – over/(under) programming	1,224	(1,224)	0	0	0
Cumulative Balance of Resources – over/(under) programming	1,224	0	0	0	0

3.5 Treasury Management

The Treasury Management Strategy is a key element of the financial management framework underpinning the MTFS.

Statutory Requirements

The Local Government Act 2003 and supporting regulations requires the Council 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'. The Act therefore requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

CIPFA Requirements

The Council has adopted the Revised CIPFA Code of Practice on Treasury Management 2011. The primary requirements of the code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's Treasury Management activities
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives
- Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year
- Delegation by the Council of responsibilities for implementing and monitoring Treasury Management Policies and Practices and for the execution and administration of treasury management decisions. In Oldham, this responsibility is delegated to the Director of Finance
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. In Oldham, the delegated body is Audit Committee.

As with the Capital Strategy and Programme the revenue implications of the Treasury Management Strategy have been fully budgeted for in the MTFS and are included in the baseline revenue budget.

4 REPORTING FRAMEWORK

At present, the Medium Term Financial Strategy is approved by Full Council on an annual basis. As the world in which we operate is becoming more volatile and more risk is being transferred to the Council, it is proposed that a more frequent refresh of the projections is completed during 2016/17. It is also envisaged that any minor amendments will be reported within the Revenue Monitoring Report presented to Cabinet on a quarterly basis. These amendments are likely to revolve around cross-portfolio transfers of budgets. The refresh will review all the major elements of the strategy including the national and local policy context, and the financial assumptions as well bringing in any Central Government announcements and legislation changes which have a financial impact. It will also allow the strategy to be amended for any emerging local issues or priorities.

5 FINANCIAL RESILIENCE

In order to monitor the present and future financial risks for the Council, a Finance Risk Register is prepared and updated on a regular basis. This highlights that in future financial years the on-going challenge to the Council in delivering a balanced budget is getting more difficult as the amount of year on year central government funding to support on-going expenditure reduces.

In order to support the production of the annual budget the Council has adopted a system of assessing the annual level of general balances on the basis of risk that it requires at the beginning of the financial year. This is a key process in ensuring that the Council both has a contingency to meet unforeseen or unplanned costs including the non-delivery of efficiency related budget reductions and the Council is financially resilient. This MTFS assumes that the Council delivers its budget reduction targets. Failure to do this in any one financial year will result in the required budget reductions for a future year increasing as the Council must demonstrate that it is financially resilient each financial year.

The closure of the accounts is a key process whereby the Council manages its risks to minimise future unplanned expenditure by considering whether any of these risks have a certain financial liability or a potential future financial impact. An early closure of the accounts enables the Council to obtain its financial out-turn promptly which determines whether any problems have to be addressed in the new financial year. At the point when the accounts are closed there is a requirement on the Council to set aside appropriate resources to meet known financial liabilities.

In order to demonstrate that the Council can continue to operate on an on-going basis it needs to demonstrate that it is financially resilient at a point in time. Essentially this means ensuring it can continue to fund its day to day business by:

- Delivering a balanced budget year on year and tackling areas of overspend to ensure the problem is managed in year and in the long term.
- Maintaining a level of appropriate general balances assessed on the basis of financial risk and earmarked reserves to meet known commitments.
- Closing its accounts in a prompt manner to determine its out-turn and give the Council more time to address any overspends in the new financial year.
- Undertaking financial decisions in accordance with Councils processes to ensure that risk is highlighted in advance of the decision being taken and the impacts are clear to decision makers.
- Releasing reserves to support the budget in a controlled manner.

Should the Council find itself in a position where it is not financially resilient it will need to increase its budget reductions targets to build up funds to become financially sustainable. The general financial resilience of the Council is supported by the availability of reserves. The Council's reserves are regularly reviewed and will be utilised to support the budget setting process as required.

The External Auditor commented on the financial resilience of the Council at the closure of the 2014/15 accounts. The main elements of these comments are included in the 2016/17 budget report.

6 CONCLUSION

After allowing for the use of grant funding in 2016/17, funding pressures and the impact of the Provisional Local Government Financial Settlement, it is considered that the Council is able to approve a balanced budget for 2016/17. The anticipated net budget gap for 2017/18 is £20.464m with £20.235m of budget reductions yet to be identified. The gap for 2018/19 is estimated to be a further £16.700m.

Whilst the Provisional Settlement announced on 17 December 2015 and confirmed by the Final Settlement on 8 February 2016 provided funding allocations covering four financial years, there is only certainty of funding for 2016/17. However, should the Council prepare an efficiency plan and submit this to the DCLG, then the Government has guaranteed funding notifications will be honoured for the period 2016/17 and 2019/20. The Council is awaiting the receipt of the guidance to enable it to prepare such a plan.

Spending estimates for future years will be amended in accordance with future events such as the implementation of the 100% Business Rates Retention regime and the transferring of additional responsibilities to Local Authorities.

Local Government funding going forward will be reformed and Oldham Council will have to respond to these reforms and the financial challenges it presents by being innovative and increasingly working in collaboration and partnership but also in alignment with its co-operative ethos.

Work on preparing the next two year budget, 2017/18 and 2018/19, has already begun, following good practice established in 2015/16 and earlier years. Making an early start will enable full consideration of key issues, pressures, resources and local and national policies outlined in the MTFS.

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Report to Council

Treasury Management Half Year Review 2015/16

Portfolio Holder: Councillor Jabbar, Cabinet Member for Finance and HR

Officer Contact: Anne Ryans, Director of Finance

Report Author: Andy Cooper, Senior Finance Manager

Ext. 4925

24th February 2016

Reason for Decision

The report advises Council of the performance of the Treasury Management function of the Council for the first half of 2015/16, and provides a comparison of performance against the 2015/16 Treasury Management Strategy and Prudential Indicators.

Executive Summary

The Council is required to consider the performance of the Treasury Management function in order to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Revised Code of Practice. This report therefore sets out the key Treasury Management issues for Members' information and review and outlines:

- An economic update for the first six months of 2015/16;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure (prudential indicators);
- A review of the Council's investment portfolio for 2015/16;
- A review of the Council's borrowing strategy for 2015/16;
- Why there has been no debt rescheduling undertaken during 2015/16;
- A review of compliance with Treasury and Prudential Limits for 2015/16.

Recommendations

Council is requested to approve the:

- Treasury Management activity for the first half of the financial year 2015/16 and the projected outturn position
- Amendments to both Authorised and Operational Boundary for external debt as set out in the table at Section 2.4.5 of the report.
- Changes to the credit methodology whereby viability, financial strength and support ratings will no longer be considered as key criteria in the choice of creditworthy investment counterparties.

**Treasury Management Strategy Statement and Annual Investment Strategy
Mid-year Review Report 2015/16**

1 Background

- 1.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 As a consequence treasury management is defined as:
"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "
- 1.4 The Half Year Review report was presented for approval at the Cabinet meeting of 14 December. It was also subject to scrutiny at the Audit Committee meeting of 17 December.

2 Current Position

2.1 Requirements of the Treasury Management Code of Practice

- 2.1.1 The Council adopted the revised Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2011) on 23rd February 2011.
- 2.1.2 The primary requirements of the Code are as follows:
- a) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities
 - b) Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives
 - c) Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue

Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year

- d) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions. In Oldham, this responsibility is delegated to the Director of Finance.
- e) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. In Oldham, the delegated body is the Audit Committee.

2.1.3 This mid-year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- An economic update for the first six months of 2015/16;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure (prudential indicators);
- A review of the Council's investment portfolio for 2015/16;
- A review of the Council's borrowing strategy for 2015/16;
- Why there has been no debt rescheduling undertaken during 2015/16;
- A review of the compliance with Treasury and Prudential Limits for 2015/16;

2.2 **Economic Performance for the First Six Months of the Year**

2.2.1 The UK economy cannot be considered in isolation and the impact of the financial and economic performance of other countries and groups of countries has a significant influence on the global economic position as well as that of the UK. This section of the report therefore sets out key issues relating to the UK and other key regions and is relevant when considering performance for the first half of the 2015/16 financial year. Some of this information has subsequently been updated and more up to date economic performance data is therefore included in the 2016/17 Treasury Management Strategy Report.

The United Kingdom (UK) Economic and Financial Position

2.2.2 UK Gross Domestic Product (GDP) growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, possibly being equal to that of the US. However, quarter 1 of 2015 was weak at +0.4% though there was a rebound in quarter 2 to +0.7%.

2.2.3 The Bank of England's August Inflation Report included a forecast for growth to remain around 2.4 to 2.8% over the next three years. However, the subsequent forward looking Purchasing Manager's Index (PMI) surveys in both September and early October for the services and manufacturing sectors showed a marked slow-down in the likely future overall rate of GDP growth to about +0.3%. This is not too surprising given the appreciation of Sterling against the Euro and weak growth in

the European Union (EU), China and emerging markets creating headwinds for UK exporters. Also, a fall in consumer confidence in September, due to an increase in concerns for the economic outlook, could also lead to a dampening of services sector growth through weakening consumer expenditure. For this recovery to become more balanced and sustainable in the longer term, the recovery still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure.

- 2.2.4 The strong growth since 2012 has resulted in unemployment falling quickly over the last few years although it has now picked up recently after the Chancellor announced in July significant increases planned in the minimum (living) wage over the course of this Parliament.
- 2.2.5 The Monetary Policy Committee (MPC) has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of inflation in order to ensure that the recovery will be sustainable. It has therefore been encouraging in 2015 to see wage inflation rising significantly above Consumer Price Index (CPI) inflation which slipped back to zero in June and again in August
- 2.2.6 However, with the price of oil taking a fresh downward direction and Iran expected to soon re-join the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn.
- 2.2.7 The August Bank of England Inflation Report forecast was notably subdued with inflation barely getting back up to the 2% target within the 2-3 year time horizon. Despite average weekly earnings picking up to 2.9% year on year in the three months ending in July (as announced in mid-September), this was unlikely to provide ammunition for the MPC to take action to raise the Bank Rate as soon as labour productivity growth meant that net labour unit costs appeared to be only rising by about 1% year on year. However, at the start of October, statistics came out announcing that annual labour cost growth had actually jumped sharply in quarter 2 from +0.3% to +2.2%: time will tell if this is just a blip or the start of a trend.
- 2.2.8 There are therefore considerable risks around whether inflation will rise in the near future as strongly and as quickly as previously expected; this will make it more difficult for the central banks of both the US and the UK to raise rates as soon as had previously been expected, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets.
- 2.2.9 On the other hand, there are also concerns around the fact that the central banks of the UK and US have few monetary policy options left to them given that central rates are near to zero and huge quantitative easing (QE) is already in place. There are therefore arguments that they need to raise rates sooner, rather than later, so they are prepared if there was a sudden second major financial crisis. But it is

hardly likely that they would raise rates until they are sure that growth was securely embedded and 'no-flation' was not a significant threat.

2.2.10 The forecast for the first increase in Bank Rate has therefore progressively been pushed back during 2015 from quarter 4 2015 to quarter 2 2016 and increases after that will be at a much slower pace, and to much lower levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

2.2.11 The Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20.

United States (US)

2.2.12 GDP growth in 2014 of 2.4% was followed by first quarter 2015 growth depressed by exceptionally bad winter weather at only +0.6% (annualised). However, growth rebounded very strongly in quarter 2 to 3.9% (annualised) and strong growth was initially expected going forward.

2.2.13 Until the turmoil in financial markets in August caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Federal Reserve (Fed) would start to increase rates in September. However, the Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, and due to a 20% appreciation of the dollar which has caused the Fed to lower its growth forecasts. Since then the nonfarm payrolls figures for September and revised August, issued on 2 October 2015, were disappointingly weak and confirmed concerns that US growth is likely to significantly weaken. This has pushed back expectations of the first rate increase from 2015 into 2016.

Eurozone (EZ)

2.2.14 The European Central Bank (ECB) announced a massive €1.1 trillion programme of quantitative easing in January 2015 to buy up high credit quality government debt of selected EZ countries. This programme started in March and will run to September 2016. This seems to have already had a beneficial impact in improving confidence and sentiment.

2.2.15 There has also been a continuing trend of marginal increases in the GDP growth rate which hit 0.4% in quarter 1 2015 (1.0% year on year) and +0.4%, (1.5% year on year) in quarter 2 GDP.

2.2.16 The ECB has also stated it would extend its QE programme if inflation failed to return to its target of 2% within this initial time period.

Greece

2.2.17 During July, Greece finally acceded to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance to EU demands of the Syriza Government, elected in January.

2.2.18 The subsequent surprise general election in September gave the Syriza Government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

China and Japan

2.2.19 Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth. In quarter 2 2015 growth was down 1.6% (annualised) after a short burst of strong growth of 4.5% in quarter 1.

2.2.20 During 2015, Japan has been hit hard by the downturn in China. This does not bode well for Japan as the Government has already tried its first two options to try to stimulate recovery and a rise in inflation from near zero, but has withheld introducing the third, deregulation of protected and inefficient areas of the economy, due to political lobbies which have traditionally been supporters of the governing party.

2.2.21 As for China, the Government has been very active during 2015 in implementing several stimulus measures to try to ensure the economy hits the growth target of 7% for the current year and to bring some stability after the major fall in the onshore Chinese stock market. Many commentators are concerned that recent growth figures around that figure could have been massaged to hide a downturn to a lower growth figure.

2.2.22 There are also major concerns as to the creditworthiness of much bank lending to corporates and local government during the post 2008 credit expansion period and whether the bursting of a bubble in housing prices is drawing nearer.

2.2.23 Overall, China is still expected to achieve a growth figure that the EU would envy. However, concerns about whether the Chinese cooling of the economy could be heading for a hard landing, and the volatility of the Chinese stock market, have caused major volatility in financial markets in August and September such that confidence is, at best, fragile.

Emerging Countries

2.2.24 There are considerable concerns about the vulnerability of some emerging countries and their corporates. Since the financial crisis western investors have invested in emerging countries as they searched for yield by channelling investment cash away from western economies with poor growth, depressed bond yields (due to QE), and near zero interest rates. There is now a strong current flowing to reverse that flow, with a movement back to those western economies with strong growth and an imminent rise in interest rates and bond yields.

2.2.25 This change in investors' strategy and the massive reverse cash flow, has depressed emerging country currencies and, together with a rise in expectations of a start to central interest rate increases in the US and UK, has helped to cause the dollar and sterling to appreciate. In turn, this has made it much more costly for

emerging countries to service their western currency denominated debt at a time when their earnings from commodities are depressed.

2.2.26 There are also going to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates, if available at all.

2.2.27 Corporates (worldwide) heavily involved in mineral extraction and / or the commodities market may also be at risk and this could also cause volatility in equities and safe haven flows to bonds. Financial markets may also be buffeted by sovereign wealth funds of countries highly exposed to falls in commodity prices which, therefore, may have to liquidate investments in order to cover national budget deficits.

2.3 Interest Rate Forecast

2.3.1 The Council's treasury advisor, Capita Asset Services, has provided the following bank rate and Public Works Loan Board (PWLB) interest rate forecast covering the period from the last quarter of 2015 to the third quarter of 2018. Some of this information has subsequently been updated and more up to date interest rate forecasts are therefore included in the 2016/17 Treasury Management Strategy Report.

Interest Rate Forecasts for the period ending 31/12/15 to 31/6/18

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%
5yr PWLB rate	2.40%	2.50%	2.60%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%
10yr PWLB rate	3.00%	3.20%	3.30%	3.40%	3.50%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PWLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
50yr PWLB rate	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%

2.3.2 Capita Asset Services undertook its last review of interest rate forecasts on 11 August shortly after the quarterly Bank of England Inflation Report. Later in August, fears around the slowdown in China and Japan caused major volatility in equities and bonds and sparked a flight from equities into safe havens like gilts and so caused PWLB rates to fall below the above forecasts for quarter 4 2015. However, there is much volatility in rates as news ebbs and flows in negative or positive ways and news in September in respect of Volkswagen, and other corporates, has compounded downward pressure on equity prices. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2016.

2.3.3 Despite market turbulence in late August, and then September, causing a sharp downturn in PWLB rates, the overall trend in the longer term will be for gilt yields

and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

2.3.4 The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

2.3.5 The disappointing US nonfarm payrolls figures and UK PMI services figures at the beginning of October have served to reinforce a trend of increasing concerns that growth is likely to be significantly weaker than had previously been expected. This, therefore, has markedly increased concerns, both in the US and UK, that growth is only being achieved by monetary policy being highly aggressive with central rates at near zero and huge QE in place. This, in turn, is causing an increasing debate as to how realistic it will be for central banks to start on reversing such aggressive monetary policy until such time as strong growth rates are more firmly established and confidence increases that inflation is going to get back to around 2% within a 2-3 year time horizon. Market expectations in October for the first Bank Rate increase have therefore shifted back sharply as far as November 2016.

2.3.6 Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth turns significantly weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan.
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens

2.3.7 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- Uncertainty around the risk of a UK exit from the EU.
- The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ.
- The commencement by the US Federal Reserve of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of

holding bonds as opposed to equities and leading to a major flight from bonds to equities.

- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

2.4 Treasury Management Strategy Statement and Annual Investment Strategy Update

2.4.1 The Treasury Management Strategy Statement (TMSS) for 2015/16 was approved by Oldham Council on 25th February 2015. The underlying TMSS approved previously now requires revision in the light of economic and operational movements during the year. The proposed changes and supporting detail for the changes are set out in the next sections of this report.

2.4.2 A decrease to both the overall Authorised Limit (the “affordable borrowing limit” required by Section 3 of the Local Government Act 2003 above which the Council does not have the power to borrow) and Operational Boundary (the expected borrowing position of the Council during the year) for external debt is required. This indicator is made up of external borrowing and other long term liabilities, Private Finance Initiatives (PFI) and Finance Leases. The revision to the limits aligns to the reduction in the Capital Financing Requirement (£18.451m) as outlined at paragraph 2.4.4 below.

2.4.3 The Council has the following Private Finance Initiative (PFI) and Public Private Partnership (PPP) Schemes each contributing to the Other Long Term Liabilities element of the Authorised Limit and the Operational Boundary::

- Gallery Oldham and Library
- Sheltered Housing (PFI2)
- Radclyffe and Failsworth Secondary Schools
- Chadderton Health & Well Being Centre
- Street Lighting
- Housing (PFI4)
- Blessed John Henry Newman RC College (Building Schools for the Future)

2.4.4 In addition, it will be necessary to decrease the Capital Financing Requirement (CFR) by £18.451m. Approved capital expenditure/ funding carry forwards from 2014/15 (£26.593m) caused an initial increase, however this is more than offset by estimated slippage and other anticipated adjustments in the 2015/16 capital programme resulting in the reduced CFR.

2.4.5 Members are therefore requested to approve the key changes to the 2015/16 prudential indicators as set out in the table below which show the original and recommended figures:

Prudential Indicator 2015/16	Original £'000	Recommended £'000
Authorised Limit	630,000	600,000
Operational Boundary	600,000	570,000
Capital Financing Requirement	572,382	553,931

2.5 The Council's Capital Position (Prudential Indicators)

2.5.1 This section of the report presents the Council's capital expenditure plans and their financing, the impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow together with compliance with the limits in place for borrowing activity.

Prudential Indicator for Capital Expenditure

2.5.2 The table below shows the half year position and the revised budget for capital expenditure (as per table 3 of the month 6 Capital Investment Programme monitoring report which was approved at Cabinet on 30th November 2015). It therefore highlights the changes that have taken place and are forecast since the capital programme was agreed at the Council meeting on 25 February 2015.

Capital Expenditure by Service	2015/16 Original Estimate £'000	2015/16 Original Estimate Reconfigured Portfolios £'000	2015/16 Revised Budget £'000
Neighbourhoods	7,812		
Commissioning	1,950		
Commercial Services	19,058		
Development and Infrastructure	61,825		
Cooperatives and Neighbourhoods		6,999	15,144
Corporate and Commercial Services		2,407	4,126
Economy and Skills		79,289	63,729
Health and Wellbeing		1,950	1,788
Funds yet to be allocated			8
General Fund Services	90,645	90,645	84,795
HRA	0	0	416
Total	90,645	90,645	85,211

2.5.3 The above table shows a decrease in the capital programme of £5.434m to the month 6 position of £85.211m. The original estimate was initially increased by slippage of £26.593m brought forward into the 2015/16 programme from the previous year; this has

been offset by slippage in 2015/16, deletions and other movements showing a net decrease in the programme of £32.027m in the first 6 months of the year.

Changes to the Financing of the Capital Programme

- 2.5.4 The table below draws together the main strategy elements of the capital expenditure plans (above) highlighting the original supported (£35.180m) and unsupported elements i.e. requiring borrowing (£55.464m) of the capital programme, and the expected financing (revised position) arrangements of this capital expenditure. The borrowing need element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.
- 2.5.5 The overall net reduction in the capital programme has resulted in a change in the mix of funding sources required in 2015/16, a reduced reliance on capital receipts and prudential borrowing is offset by an increase in grant income and to a lesser extent an increased contribution from revenue.

Capital Expenditure	2015/16 Original Estimate £'000	2015/16 Revised position £'000
General Fund Services	90,644	84,795
HRA	0	416
Total spend	90,644	85,211
Supported Finance		
- Capital receipts	(14,554)	(9,245)
- Capital grants	(20,026)	(31,979)
- Revenue	(600)	(1,411)
Total Supported financing	(35,180)	(42,635)
Borrowing need (Unsupported Finance)	55,464	42,576

Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

- 2.5.6 The table shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. As previously mentioned in paragraph 2.4.4 the CFR needs to decrease by £18.451m. It also shows the expected debt position over the period (the Operational Boundary). This indicator has decreased to reflect the revisions to the forecast year end position of the capital programme.

	2015/16 Original Estimate £'000	2015/16 Revised Estimate £'000
Prudential Indicator – Capital Financing Requirement		
CFR – non housing	572,382	553,931
Total CFR	572,382	553,931
Net movement in CFR		(18,451)
Prudential Indicator – External Debt / the Operational Boundary		
Borrowing	325,000	295,000
Other long term liabilities*	275,000	275,000
Total debt 31 March	600,000	570,000

* - On balance sheet PFI schemes and finance leases etc.
Limits to Borrowing Activity

2.5.7 The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose.

2.5.8 Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2015/16 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

2.5.9 The CFR calculation is shown in the table below and the Director of Finance reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

	2015/16 Original Estimate £'000	2015/16 Revised Estimate £'000
Gross borrowing	216,117	184,916
Plus other long term liabilities*	266,140	266,141
Gross borrowing	482,257	451,057
CFR* (year end position)	572,382	553,931

* - Includes on balance sheet PFI schemes and finance leases etc.

2.5.10 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and

needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2015/16 Original Indicator	2015/16 Revised Indicator
Borrowing	345,000	315,000
Other long term liabilities*	285,000	285,000
Total	630,000	600,000

* - Includes on balance sheet PFI schemes and finance leases etc.

Investment Portfolio 2015/16

2.5.11 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 2.3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and shorter term strategy. Given this risk environment, investment returns are likely to remain low.

2.5.12 The Council held £105.610m of investments, including property funds as at 30th September 2015 (£103.070m at 31 March 2015). A full list of investments as at 30th September 2015 is included in the table below.

2.5.13 Taking the opportunity to earn a better rate of return on its cash balances, the Council has in accordance with the approved TMSS, during the first 6 months of the current financial year tentatively started to use a broader range of investment products, namely Certificates of Deposit and Investment units with a Property Fund. To invest in these types of instruments, accounts have been opened up with a custodian service (King & Shaxson) and the Churches, Charities and Local Authority (CCLA) Property Fund.

2.5.14 Certificates of Deposit open up a wider range of approved counterparties, that the Council may either not have access to directly or who may not offer fixed investments. Although certificates of deposits are entered into for a fixed duration they can be sold on the secondary market in the highly unlikely event that there should be an urgent need for liquidity. As at 30th September £35m was held in Certificates of Deposit.

2.5.15 As mentioned above in 2.5.13, the Council has started to invest with CCLA Property Fund. Details are included within the table below. Further information regarding property funds can be found in paragraphs 2.5.26 – 2.5.29. At 30th September the investment had been held for 3 months and generated a return of 4.93%.

2.5.16 The Council ensures enough funds are kept in either instant access accounts and/ or on-call accounts to meet its short term liquidity requirements. As at 30th September the Council held £32.610m in such accounts.

Investments Counterparty	Type	30 Sept. 2015 £'000	Interest Rate	Date of Investment	Date of Maturity
CCLA Property Fund	Property	2,000	4.93%	30/06/15	Open
Total Property Funds		2,000			
Greater London Authority	Fixed	5,000	0.90%	15/04/14	15/10/15
Bank of Scotland plc	Fixed	3,000	0.80%	09/02/15	09/11/15
Barclays Bank plc	Fixed	5,000	0.78%	26/02/15	26/11/15
Barclays Bank plc	Fixed	5,000	0.92%	23/03/15	21/03/16
Nationwide Building Society	Fixed	2,500	0.66%	14/04/15	14/10/15
Bank of Scotland plc	Fixed	5,000	0.70%	11/05/15	11/11/15
Santander UK plc	Fixed	2,500	0.67%	03/06/15	03/12/15
Nationwide Building Society	Fixed	5,000	0.66%	17/08/15	17/02/16
Barclays Bank plc	Fixed	3,000	0.85%	20/08/15	20/05/16
Total Fixed Investments		36,000			
Standard Chartered Bank	CD	5,000	0.72%	20/04/15	20/10/15
Standard Chartered Bank	CD	2,500	0.90%	06/05/15	04/05/16
Royal Bank of Scotland plc	CD	5,000	0.91%	17/04/15	15/04/16
Royal Bank of Scotland plc	CD	5,000	0.72%	30/04/15	29/01/16
Sumitomo Mitsui Bank*	CD	2,000	0.57%	01/07/15	01/10/15
Abbey National Treasury Services	CD	5,000	0.73%	19/05/15	19/11/15
Standard Chartered Bank	CD	2,500	0.82%	19/05/15	19/02/16
Royal Bank of Scotland plc	CD	5,000	0.77%	20/05/15	19/02/16
Royal Bank of Scotland plc	CD	3,000	0.95%	14/07/15	12/07/16
Total Certificates of Deposit		35,000			
Bank of Scotland plc**	32 day call	2,000	0.57%	21/08/15	
Total on call		2,000			
SLI Sterling Liquidity/CI 2**	MMF	15,950	0.49%	01/03/15	01/10/15
Federated Prime Rate Sterling Liquidity 3**	MMF	7,660	0.48%	27/03/15	01/10/15
Total Money Market Funds		30,610			
Total		105,610			

* Sumitomo Mitsui Banking Corporation Europe - UK Bank; Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

** denotes instant access/ on call investments

2.5.17 The Council's investment strategy looks to achieve a return on its investment of London Interbank Bid Rate (LIBID) plus a 5% mark up. The Council will maintain sufficient cash reserves to give it its necessary liquidity and may place investments up to 5 years if the cash flow forecast allows and the credit rating criteria is met. Performance against this benchmark was as follows:

Average 7 Day LIBID	0.36175%
Benchmark	0.37984%
Average 3 month LIBID	0.45813%
Benchmark	0.48104%
Average Return on all cash investments made	0.66159%

2.5.18 The Council's overall average performance on its cash investments exceeded its target by 0.28176% on 7 day LIBID and 0.18056% on 3 month LIBID, the performance against the relevant LIBID/ strategy benchmark, matched to the length of investment is further analysed at appendix 2.

2.5.19 The cash investments have generated £0.347m of income in the first 6 months of the financial year. Furthermore The Director of Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2015/16.

Investment Counterparty Criteria

2.5.20 The Council currently has investment criteria and limits and these are set out in the table below. This shows the colour banding into which each of the counterparties are categorised, depending on their credit rating, and for each colour banding, the maximum duration of the investment and the maximum principal that can be invested. The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

Capital Colour Band	Maximum Duration	Maximum Principal Invested £
Yellow (Note 1)	5 Years	£10m
Dark Pink (Note 2)	5 Years	£10m
Light Pink (Note 3)	5 Years	£10m
Purple	2 Years	£20m
Blue (Note 4)	1 Year	£20m
Orange (Note 5)	1 Year	£15m
Red	6 months	£10m
Green	100 days	£10m
No Colour	Not to be used	Not to be used

Note 1 – Includes Public Sector Bodies

Note 2 – Enhanced money market funds (EMMF) with a credit score of 1.25

Note 3 - Enhanced money market funds (EMMF) with a credit score of 1.5

Note 4 – Blue Institutions only applies to nationalised or semi nationalised UK Banks, which are currently:

- Lloyds Banking Group – Lloyds and Bank of Scotland.
- RBS Group – Royal Bank of Scotland, Natwest Bank and Ulster Bank.

Note 5 - Includes the Council's banking provider, if it currently falls into category below this colour band.

2.5.21 The Council has re-appointed Capita Asset Services as its Treasury Advisors (see 2.9 below) and uses its rating assessments to support investment decisions. Capita is changing its credit rating methodology and this impacts on the Councils own assessment methodology. This change is outlined in the following paragraphs.

Change in Credit Rating Methodologies

2.5.22 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of the new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.

2.5.23 In keeping with the agencies' new methodologies, the credit element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used by Standard & Poor's, this has been a change to the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed

2.5.24 The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While the Council understands the changes that have taken place, it will continue to specify a minimum sovereign rating of AAA for all non-UK countries. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.

2.5.25 It is important to note that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution, merely a reassessment of their methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the “support” phase of the financial crisis.

Property Funds

2.5.26 As highlighted in sections 2.5.12 and 2.5.15, during 2015/16 the Council has invested in the CCLA (Churches, Charities & Local Authority) Property Fund. The fund is a unit trust fund that invests in commercial and industrial property in the UK. This is a longer term investment and it is recommended to hold the units for at least 3 years.

2.5.27 Prior to use guidance was sought regarding the status of this fund. The CCLA fund has been approved by HM Treasury under section 11(1) of the Trustee Investments Act 1961, and in accordance with section 25(3)(d) of the regulations, the purchase of units in this Fund does not count as capital expenditure in England. It will be accounted for as an available for sale financial asset. Due diligence was also carried out prior to use in terms of organisation background, property portfolio, past performance, use by other Authorities within the sector and employee expertise.

2.5.28 The fund is performing well and is currently yielding 4.93% for the 3 month period ending September 2015.

2.5.29 In the future it is possible that the Council may choose to use other property funds. If this were to be the case it will seek prior advice regarding the status of any new fund, undertake thorough and appropriate due diligence and seek advice in terms of accounting treatment (the use of these instruments can be deemed capital expenditure, and as such would therefore be an application of capital resources and appear in the capital programme).

Bonds

2.5.30 The current TMSS gives theoretical approval to the use of bonds as an alternative investment instrument, the Authority does not currently hold any such investments, it is however aware of the emerging popularity of Bonds within the sector and may consider investing in bonds in the current financial year, consideration would therefore be required as to the type/ category of bond e.g. corporate, government, financial institution, the rating of the issuer and the maturity duration before any such decision was made.

2.6 Borrowing

PWLB

- 2.6.1 It is proposed in this report that the Council's CFR for 2015/16 is revised to £553.931m and this denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.
- 2.6.2 The table within paragraph 2.5.9 shows the Council has borrowings of £451.057m and has utilised £102.874m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.
- 2.6.3 The Council has not undertaken any borrowing in the first half of the year, and did not undertake any debt rescheduling during the first half of 2015/16.
- 2.6.4 As outlined below, the general trend has been an increase in interest rates during the first quarter but then a fall during the second quarter.
- 2.6.5 Current PWLB maturity rates are set out in the following table and show for a selection of maturity periods over the first half of 2015/16, the range (high and low points) in rates and the average rates over the period. In addition, Appendix 1 tracks the movement in the PWLB certainty rate over the period in question across the same range of loan terms as is used in the table below.

Maturity Rates	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.11%	1.82%	2.40%	3.06%	3.01%
Date	02/04/15	02/04/15	02/04/15	02/04/15	02/04/15
High	1.35%	2.35%	3.06%	3.66%	3.58%
Date	05/08/15	14/07/15	14/07/15	02/07/15	14/07/15
Average	1.26%	2.12%	2.76%	3.39%	3.29%

- 2.6.6 The Council will closely monitor the movement in PWLB interest rates and if available those being offered by the Municipal Bonds Agency (see 2.6.8 and 2.6.9 below) during the remaining months of the year. This will be considered in conjunction with the spend profile of the capital programme and borrowing may be undertaken to support the capital plans of the Council if this is considered advantageous.
- 2.6.7 Members may recall that for the last 3 years the Council has been able to take advantage of the PWLB certainty rate, whereby there is a 20 basis points discount on standard loans from the PWLB under the prudential borrowing regime for Authorities providing improved information on their long term borrowing and associated capital spending plans. The obvious benefit to the Council of the certainty rate will be reflected in the future with reduced Treasury Management borrowing costs in relation to any

PWLB borrowing undertaken. The Council has submitted its spending plans for 2015/16 and currently awaits conformation of extension of the certainty rate for the period 1st November 2015 to 31st October 2016. The certainty rate variations are shown in Appendix 1.

Municipal Bonds Agency (MBA)

2.6.8 The Local Government Association (LGA) is close to completing the setting up of the Municipal Bonds Agency (MBA) the aim of which is to seek to provide Councils with a cheaper source of long term borrowing and to introduce sector owned diversity into the Local Government lending market, the Council has invested a total sum of £0.100m in the equity of the MBA.

2.6.9 The Council has undertaken this investment to access a potentially cheaper source of long term borrowing and any other beneficial financing arrangements that may become available. The agency has indicated that the first bond could possibly be issued in the Spring of 2016, whilst this may not be the opportune timing for Oldham the Council will keep under review the availability and cost of funds from the MBA as an alternative source of finance with a view to borrowing at an appropriate time if terms are preferential. As an investor, the Council would expect to benefit from any profits generated by the MBA

2.7 Overall Position at the Mid –Year 2015/16

2.7.1 The position at the mid-year 2015/16 shows that the Council is continuing to follow recommended practice and manage its treasury affairs in a prudent manner.

2.8 Current Position- Banking

2.8.1 The Council has a banking contract in place with Barclays Bank effective from 1st April 2014 for a duration of 5 years. The working relationship between the parties is proving successful and it has enabled the Council to adopt a more traditional working relationship with its clearing bank.

2.9 Treasury Management Advisors

2.9.1 The contract engaging Capita Asset Services as the Councils Treasury Management advisors expired on 31st March 2015, the Council undertook a competitive joint tendering exercise with other GM Local Government bodies to procure advisory services from April 2015, the outcome of which is that Capita Asset Services were re-appointed as Treasury Management advisors for a period of 3 years (with the option for a further year) effective from 1st April 2015.

3 Options/Alternatives

3.1 In order that the Council complies with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management the Council has no option other than to consider and approve the contents of the report. Therefore no options/alternatives have been presented.

4 Preferred Option

4.1 As stated above the preferred option is that the contents of the report are approved

5 Consultation

5.1 Consultation has taken place with Capita Asset Services (the Councils Treasury Management Advisors), and the Executive Management Team (EMT). The report was presented to the Audit Committee on 17th December 2015 and approved by Cabinet on 14th December 2015.

6 Financial Implications

6.1 All included in the report.

7 Legal Services Comments

7.1 None

8 Cooperative Agenda

8.1 The Council ensures that any Treasury Management decisions comply as far as possible with the ethos of the Cooperative Council.

9 Human Resources Comments

9.1 None

10 Risk Assessments

10.1 There are considerable risks to the security of the Authority's resources if appropriate treasury management strategies and policies are not adopted and followed. The Council has established good practice in relation to treasury management which have previously been acknowledged in the External Auditors' Annual Governance Report presented to the Audit Committee.

11 IT Implications

11.1 None

12 Property Implications

12.1 None

13 Procurement Implications

13.1 None

14 Environmental and Health & Safety Implications

14.1 None

15 **Equality, community cohesion and crime implications**

15.1 None

16 **Equality Impact Assessment Completed?**

16.1 No

17 **Key Decision**

17.1 Yes

18 **Forward Plan Reference**

18.1 CFHR -22-15

19 **Background Papers**

19.1 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 within Appendices 1 and 2.
Officer Name:	Anne Ryans
Contact No:	0161 770 4902

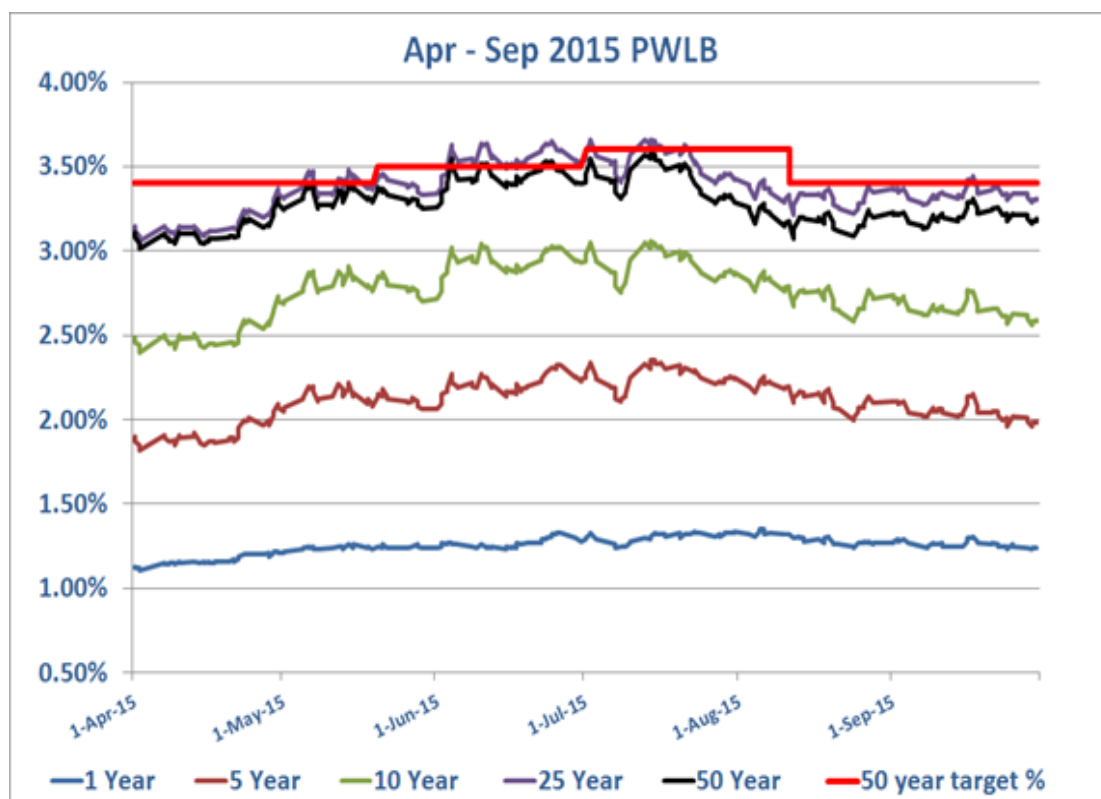
20 **Appendices**

20.1 Appendix 1 – Borrowing

Appendix 2 – Investments

APPENDIX 1- Borrowing

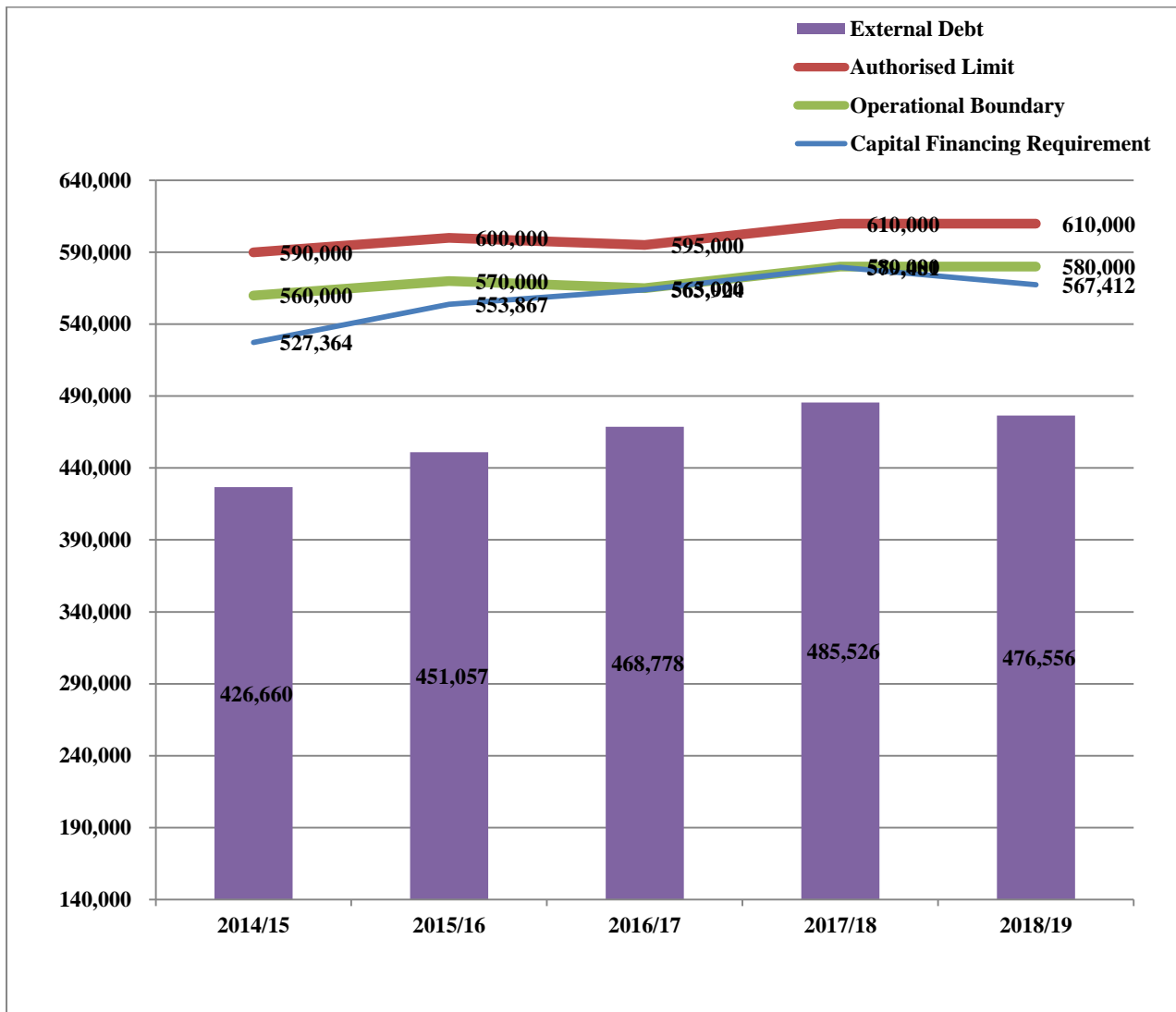
1A) PWLB Certainty Rate Variations 2015/16



1B) Comparison of borrowing parameters to actual external borrowing (Table)

Actual/Expected	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Authorised Limit	590,000	600,000	595,000	610,000	610,000
Operational Boundary	560,000	570,000	565,000	580,000	580,000
Capital Financing Requirement	527,364	553,931	563,924	579,481	567,412
External Debt	426,660	451,057	468,775	485,523	476,553

1C) Comparison of borrowing parameters to actual external borrowing (Graph)



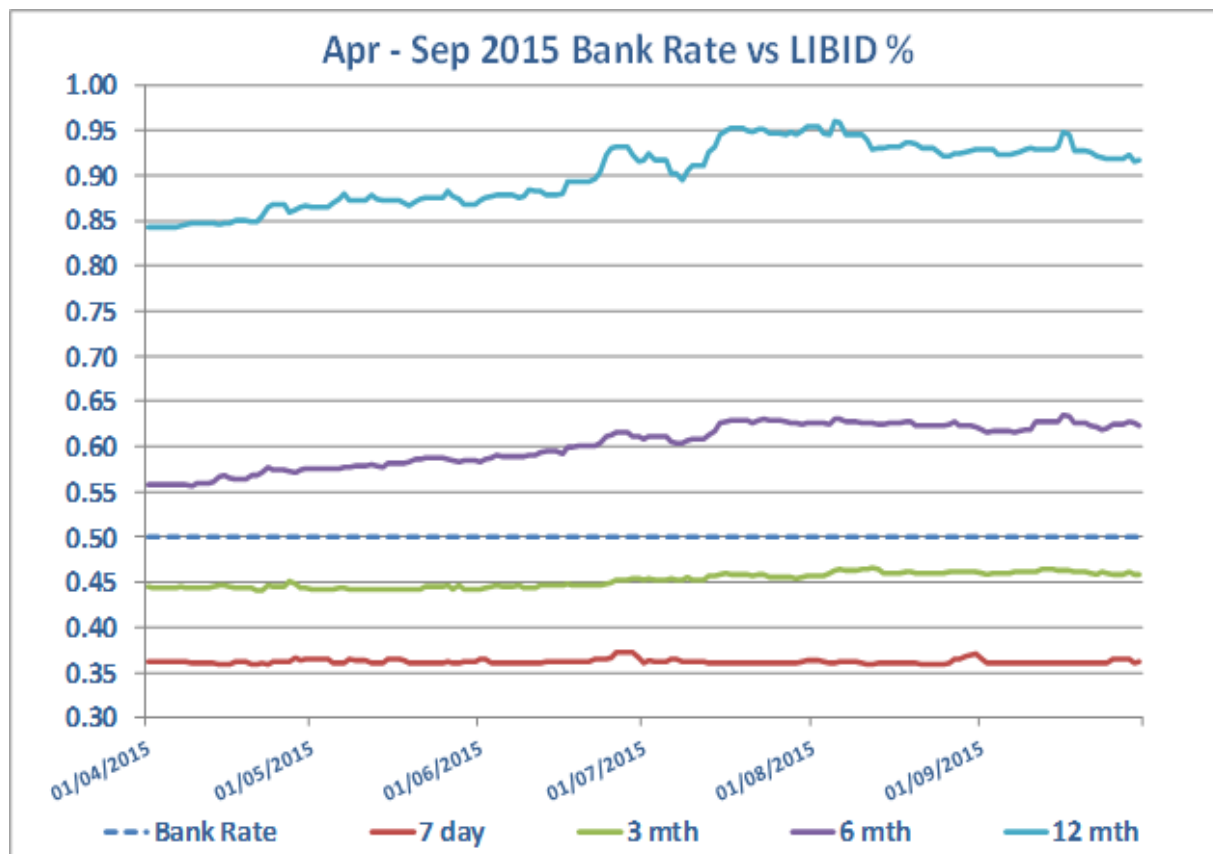
Appendix 2

2A) Investment performance for half year to 30th September 2015

Benchmark	Benchmark Return LIBID	Council Performance	Investment Interest Earned
7 day *	0.38%	0.49%	£79,376
1 month	0.38%	0.57%	£1,312
3 month *	0.48%	0.52%	£31,060
6 month	0.60%	0.73%	£153,544
12 month	0.90%	0.91%	£81,221

*includes 5% mark up as per 15/16 strategy performance target

2B) Comparison of Bank rate against LIBID (various) April to September 2015



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