Oldham Borough Council

Council Meeting
Wednesday 27 February 2019

OLDHAM BOROUGH COUNCIL

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

Tuesday, 19 February 2019

You are hereby summoned to attend a meeting of the Council which will be held on Wednesday 27 February 2019 at 6.00 pm in the Council Chamber, Civic Centre, for the following purposes:

1 To receive apologies for absence

2 To receive communications relating to the business of the Council

3 To receive declarations of interest in any matter to be determined at the meeting

4 To note the Minutes of the Budget Cabinet Meeting held on the 11th February 2019 and to consider the recommendations of Cabinet in relation to the Budget for 2019/20 further to the following attached reports: (Pages 1 - 680)

a) Housing Revenue Account Estimates for 2019/20 to 2023/24 and Proposed Outturn for 2018/19

b) Capital Strategy and Capital Programme 2019/20 to 2023/24

c) Treasury Management Strategy Statement 2019/20

d) Statement of the Chief Financial Officer on Reserves, Robustness of Estimates and Affordability and Prudence of Capital Investments

e) Council Tax Reduction Scheme 2019/20

f) Revenue Budget 2019/20 and Medium Term Financial Strategy 2019/20 to 2023/24

g) Liberal Democrats Budget Amendment Proposals 2019/20

And if thought fit, pass the following resolutions:

1. That it be noted that on 17 December 2018, the following amounts were approved by the Cabinet as the Council's Council Tax Base for the financial year 2019/20:

a) 56,693 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) 8,627 for dwellings in the Saddleworth Parish area to which a Parish precept relates

c) 5,438 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 2019/20 (excluding Parish precepts) as being £92,089,841

3. That the following amounts be calculated by the Council for the year 2019/20 in accordance with sections 31A to 36 of the Local Government Finance Act 1992:

a) £580,552,436	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) £488,184,981	being the aggregate of the amounts which the Council estimates for the items set out in section 31A(3) of the Act.
c) £92,367,455	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) £1,629.26	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) £277,614	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) £1,624.36	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) £1,646.12	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) £1,640.89	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(c) 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 2019/20 the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire Services) for Greater Manchester have been issued 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 2019/20 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	1,082.90	1,263.39	1,443.87	1,624.36	1,985.32	2,346.29	2,707.26	3,248.72
Mayoral Police and Crime Commissioner Precept	132.20	154.23	176.27	198.30	242.37	286.43	330.50	396.60
Mayoral General Precept (including Fire Services)	51.29	59.84	68.39	76.95	94.05	111.15	128.24	153.90
Saddleworth Parish Precept	14.50	16.92	19.34	21.76	26.59	31.43	36.26	43.52
Shaw and Crompton Parish Precept	11.02	12.85	14.69	16.53	20.20	23.87	27.55	33.06

AGGREGATE OF COUNCIL TAX REQUIREMENTS

Authority/Parish	**Council Tax Bands (£)**							
	A	B	C	D	E	F	G	H
Saddleworth Parish Area	1,280.89	1,494.38	1,707.87	1,921.37	2,348.33	2,775.30	3,202.26	3,842.74
Shaw & Crompton Parish Area	1,277.41	1,490.31	1,703.22	1,916.14	2,341.94	2,767.74	3,193.55	3,832.28
All other parts of the Council's Area	1,266.39	1,477.46	1,688.53	1,899.61	2,321.74	2,743.87	3,166.00	3,799.22

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

MOTION – Mover of the Motion to MOVE

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MOTION – Seconder of the Motion to SECOND – May reserve right to speak

↓

DEBATE ON THE MOTION: Include Timings

↓

MOVER of Motion – Right of Reply

↓

VOTE – For/Against/Abstain

↓

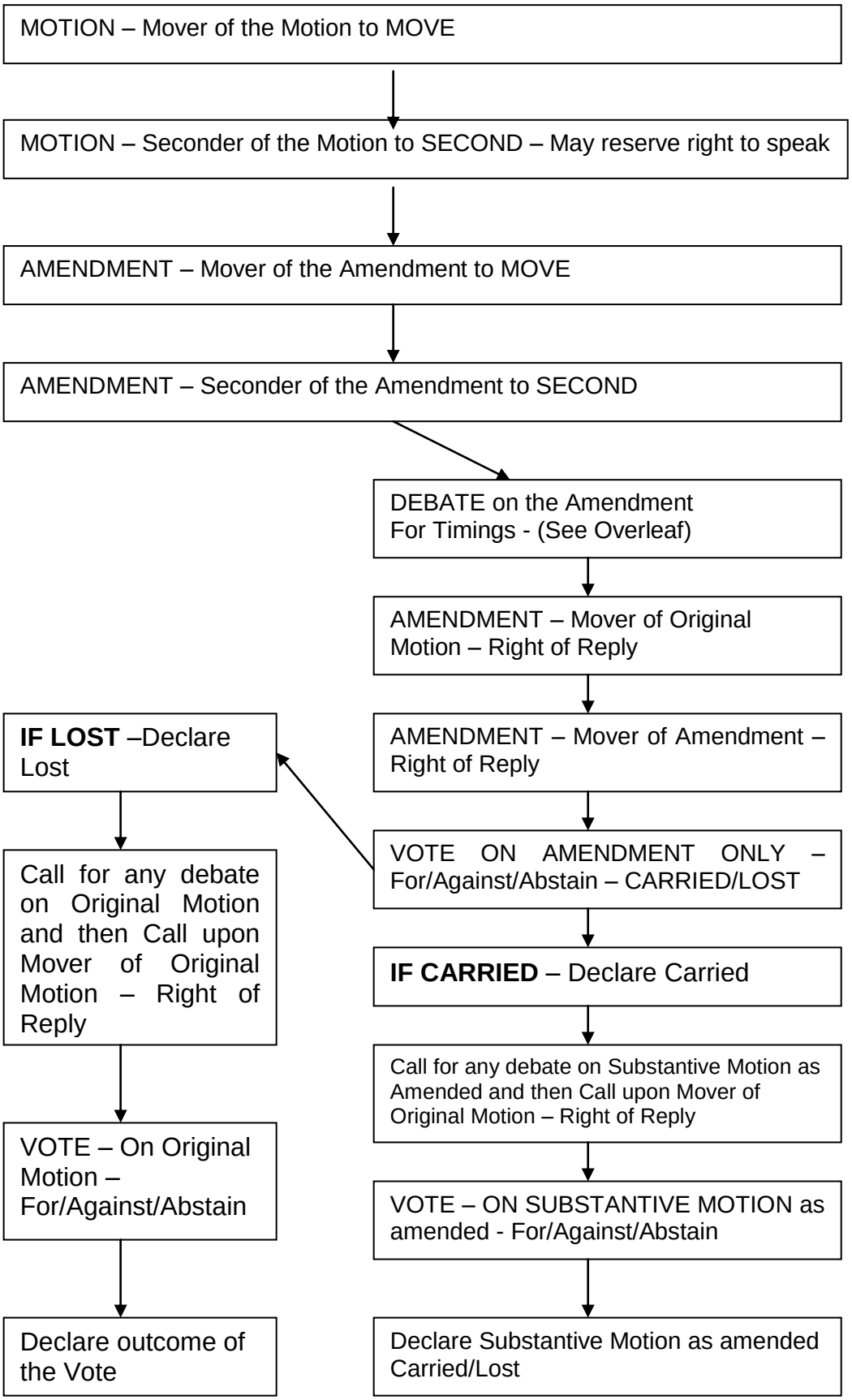
Declare outcome of the VOTE

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 30 seconds

WITH AMENDMENT



CABINET
11/02/2019 at 6.00 pm

Oldham Council

Present: Councillor Fielding (Chair)
Councillors Chadderton, Chauhan, Jabbar, Jacques, Roberts, Shah and Ur-Rehman

1 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Mushtaq.

2 **URGENT BUSINESS**

There were no items of urgent business received.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no public questions received.

5 **MINUTES OF THE ADMINISTRATION BUDGET PERFORMANCE AND VALUE FOR MONEY SELECT COMMITTEE HELD ON 24TH JANUARY 2019**

Members considered the draft minutes of the Performance and Value for Money Select Committee held on the 24th January 2019.
It was reported that the Select Committee recommended to Council all of the budget reduction proposals included in the report to a value of £7.829M for approval.

RESOLVED – That the deliberations and comments of the Performance and Value for Money Select Committee held on the 24th January 2019 be noted.

6 **MINUTES OF THE OPPOSITION BUDGET PERFORMANCE AND VALUE FOR MONEY SELECT COMMITTEE HELD ON 5TH FEBRUARY 2019**

The Cabinet gave consideration to the minutes of the Opposition Budget Performance and Value for Money Select Committee minutes held on the 5th February 2019.
It was reported that none of the Liberal Democrat efficiencies outlined for 2019/20 had been agreed by the Select Committee and therefore the investment proposals outlined within the report were not affordable.
The Select Committee did recommend:
OPP-BR1-106 Review of Car Allowance as previously promised to reduce amount paid as a lump sum to staff doing zero or minimal mileage. The Administration might wish to consider in 2019/20 as part of a wider review of the reward and recognition package**.** There was no guarantee that the outcome would be acceptance of this proposal.
OPP-BR1-108 Additional Bus Lane Enforcement. The Administration may wish to consider this proposal once the

Administration's current bus lane proposals were implemented and shown to be effective.
The proposal concerning the new health centre be pursued to see if a scheme could emerge as part of the corporate strategy.
The leader of the Council advised the meeting that the Opposition saving proposal **OPP-BR1-102 Reduction in number of Councillors from 60-40** would not deliver savings for the 2019/20 budget and was not in the Councils gift to implement.

RESOLVED – That the deliberations and comments of the Performance and Value for Money Select Committee held on 5th February 2019 be noted.

7 **REVENUE MONITOR AND CAPITAL INVESTMENT PROGRAMME 2018/19 MONTH 8**

The Cabinet gave consideration to a report of the Director of Finance which provided Members with an update on the Council's 2018/19 forecast revenue budget position and the financial position of the capital programme as at 30 November 2018, together with the revised capital programme 2018/23.

Revenue Position

The current forecast outturn position for 2018/19 was a projected favourable variance of £0.145m after allowing for approved and pending transfers to and from reserves.
The most significant area of concern was the People and Place Portfolio, due to the transfer of Children's Social Care into that area. Action was being taken and would continue to be taken for the remainder of the financial year to address variances and mitigating action would be taken as detailed within the report.
The overall corporate position was being managed by offsetting favourable variances, most notably from Capital, Treasury and Corporate Accounting budgets, in part caused by the anticipated cost of borrowing and capital finance being lower than budget and the availability of additional Treasury Management income and unringfenced grants not allocated to service budgets.

Housing Revenue Account and Dedicated Schools Grant

Information on the Month 8 position of the Dedicated Schools Grant (DSG) and Housing Revenue Account (HRA) and collection fund was also outlined in the report.
There were no significant issues of concern in relation to the HRA and Collection Fund however the DSG continued to be an area facing a financial challenge with an increase in the projected year-end deficit. Action was being taken to bring the DSG towards a balanced budget.

Capital Position

The most up to date capital spending proposals for 2018/23 were provided to Members. The revised Capital programme budget was £48.952m at the close of month 8, a net decrease of £40.706m from the original budget of £89.658 and a reduction of £0.571m from the £49.523m reported at quarter 2.
Actual expenditure to 30 November 2018 was £24.637m (50.33% of forecast outturn).

It was reported that at this stage in the financial year, the forecast position would continue to change with additional re-profiling into future years.
Options/Alternatives considered
Option 1 – To approve the forecast revenue and capital positions presented in the report including proposed changes.
Option 2 – To approve some of the forecasts and changes detailed within the report.
Option 3 – Not to approve any of the forecasts and changes detailed within the report.

RESOLVED – That:

1. The forecast revenue outturn for 2018/19 at Month 8 being a £0.145m under spend be approved.
2. The forecast positions for the Housing Revenue Account and Collection Fund and Dedicated Schools Grant as detailed within the report be approved.
3. The use of reserves as detailed in Appendix 1 to Annexe 1 of the report be approved.
4. The revised capital programme for 2018/19 to the extended period of 2022/23 as at 30 November 2018, Month 8 be approved.

8 **REVENUE BUDGET 2019/20 AND MEDIUM TERM FINANCIAL STRATEGY 2019/20 TO 2023/24**

Consideration was given to a report of the Director of Finance which presented to the Cabinet the current Administration's budget and budget proposals for 2019/20 together with the forecast budget gap estimates for the period 2020/21 to 2023/24, having regard to the Provisional Local Government Finance Settlement published on 13th December 2018 and subsequent Final Local Government Settlement published on 29th January 2019.
This report set out the proposals for the Council's Revenue Budget for 2019/20 and Medium Term Financial Strategy for 2019/20 to 2023/24.
Cabinet was provided with details of the key financial challenges and issues which would be faced by the Council over the forecast period.
The report included an update on the national and regional policy landscape within which the Council operated including a summary of the economic outlook published alongside the most recent Autumn Statement, key aspects of the Local Government Finance regime including the Greater Manchester 100% business rates retention pilot scheme and the proposals for the pooling of Business Rates for 2019/20.
The report also highlighted policy announcements and implications arising from the Chancellor's Autumn budget Statement, the Provisional Local Government Finance Settlement and the Final Local Government Settlement published on 29th January 2019.
The settlement and associated announcements confirmed one-off grants; winter pressures grant and social care support grant. The settlement also included £0.013m more grant resources than has been anticipated in the initial budget projections and a

£0.978m share of a £180m surplus on the National Rates Levy Account would be used to support the 2019/20 budget.
The settlement confirmed referendum limits for a General Council Tax increase. The Government would permit rises of 3% per annum for 2019/20 and the Police element of the Mayoral precept could be increased by up to £24 for 2019/20 without triggering a referendum. The increase was being consulted upon.
In addition there was no limit on changes to the Mayoral General Precept and an increase of £9 was being proposed by the Mayor. The estimates included in the report assumed a continuation of current Oldham Council Tax policy which allowed for a 1.99% general Council Tax increase.
There has been no change to the arrangements for charging an Adult Social Care precept and the Council is able to continue with its previously approved policy of charging an Adult Social Care precept of 2% for 2019/20.
Section 7 of the report provided details of the key budget adjustments and expenditure pressures underpinning the forecast.
The report also provided the latest available forecasts for Government Grant income and locally generated income from retained Business Rates and Council Tax.
Based on the latest estimates, the budget reduction requirements for 2019/20 had increased from the previously reported figure of £17.986m to £22.201m. The increase was due was due to a range of changes to the estimates, set out in detail at Section 11 to the report.
Section 12 of the report detailed the Administration's budget reduction proposals. There were a total of 35 proposals, delivering savings of £7.829m in 2019/20. If approved the proposals would further reduce the budget reduction requirement to £14.372m for 2019/20.
Section 13 of the report explained the approach to balancing the 2019/20 budget.
In order to remove the requirement for further spending reductions, it was proposed to part finance the 2019/20 budget by using opportunities provided by the ability to use Capital Receipts to support spending on transformational projects up to a value of £3.000m and from an available Collection Fund surplus of £2.269m.
A number of specific and corporate reserves would be used to address the balance also.
Section 17 of the report presented proposed Council Tax and Adult Social Care precept levels for Oldham Council comprising a general increase of 1.99% and a 2% increase for Adult Social Care precept (3.99% in total).
Section 17 also provided detail of the proposed precept for the Shaw and Crompton Parish Council and the approved precept for the Saddleworth Parish Council.
It was reported that approval of the proposals set out in the report in full by Council would deliver a balanced revenue budget for 2019/20. The budget reduction requirement for subsequent years was forecast to be £22.738m 2020/21, £10.889m for 2021/22, £6.859m for 2022/23 and £4.160m for 2023/24.

The Fees and Charges proposals for 2019/20 were presented at Appendix 4 and the Council's Pay Policy Statement was presented at Appendix 5.
The report also summarised the reserves and balances position supporting the Councils financial resilience. In addition, section 19 of the report set out the proposed budget strategy for future years
Options/Alternatives considered:
Option 1 – Cabinet accepts the assumptions and resulting financial forecasts presented within the report and the budget position at Appendix 1.
Option 2 – Cabinet proposes amendments to the assumptions which would change the resulting budget gap and financial forecasts.
Option 3 – Cabinet approves and commends to Council all the budget reduction proposals included in this report to the value of £7.829m and the approach to the use of reserves and balances as well as Council Tax and Adult Social Care Precept in increases.
Option 4 - Cabinet requests that further work is undertaken on some or all of the budget proposals and the approach to reserves and balances.

RESOLVED – That:
That Cabinet approves and commends to Council:

1. The national and regional policy landscape determining the context in which the Council is setting its revenue budget for 2019/20 and Medium Term Financial Strategy to 2023/24;
2. The impact of Oldham Council Policies and Strategies on the Council's budget setting process and the development of its Medium Term Financial Strategy;
3. The financial forecasts for 2019/20 to 2023/24 having regard to the Local Government Finance Settlement and associated funding announcements;
4. The key issues to be addressed in continuing to respond to the financial challenges facing the Council;
5. The 2019/20 Budget Reduction Proposals at a value of £7.829m;
6. The proposed use of £2.946m of reserves for specific purposes and £6.157m of corporate reserves to balance the 2019/20 budget;
7. The fees and charges schedule included at Appendix 4;
8. The pay policy statement included at Appendix 5;
9. A proposed Council Tax increase of 3.99% for Oldham Council services resulting in the charges set out at paragraph 17.3 and Table 22 of the report and in detail at Appendix 9;
10. A proposed increase to the empty property premium from 50% to the maximum 100% allowed from 1st April 2019;
11. The proposal to draw on the Collection Fund for major preceptors of £107.972m for Borough Wide services and £92.090m for Council services;

12. The proposed budget for 2019/20 for the Council set at £223.703m; and
13. Revised estimated budget reduction targets of £22.738m for 2020/21, £10.889m for 2021/22 and £6.859m for 2022/23 and £4.160m for 2023/24.

9 **HOUSING REVENUE ACCOUNT ESTIMATES FOR 2019/20 TO 2023/24 AND PROPOSED OUTTURN FOR 2018/19**

The Cabinet gave consideration to a report of the Director of Finance which set out the latest Housing Revenue Account (HRA) outturn estimate for 2018/19, the detailed budget for 2019/20 and strategic estimates for the four years 2020/21 through to 2023/24. The report also set out the recommended dwelling and non-dwelling rents and service charge increases to be applied from April 2019.

It was reported that after taking all relevant issues into account, the projected financial position for 2018/19 was estimated to be a £2.506m positive variance when compared to the original budget forecast for 2018/19 approved by Council February 2018 Budget meeting. The majority of this variance was attributed to the re-profiling of HRA funded capital schemes into later years due to revisions to planned spending profiles.

The financial position for 2019/20 showed an estimated HRA closing balance of £19.477m which was considered to be sufficient to meet future operational commitments and the potential financial pressures identified in the risk assessment. The 2019/20 position had been presented after allowing for an increase in rent of 3.4%.

Members noted the Government had already advised that Private Finance Initiative (PFI) properties would be exempt from Central Government's 1% Social Rent Reduction Programme. As all Oldham housing stock was contained within two PFI schemes, the 2019/20 budget would follow historic rent setting guidance of Consumer Price Index (CPI) plus 1%, resulting in an increase of 3.4% (CPI was taken as at September 2018).

The proposed HRA budget report was presented for consideration by the Overview and Scrutiny Performance and Value for Money Select Committee on 24 January 2019 The Select Committee was content to commend the report to Cabinet for approval. The Cabinet Member for Finance and Corporate Resources highlighted a recommendation from the Select Committee in relation to financial hardship. The Select Committee agreed that due to the 53 week rent year in 2019/20 and the fact that Universal Credit had been designed around a 52 week rent year, options should be considered to assist tenants in receipt of Universal Credit so that they did not fall into arrears.

Options/Alternatives considered

In order that the Council complied with legislative requirements it must consider and approve a Housing Revenue Account budget for 2019/20.

Within the summer budget announcement of July 2015, the Government imposed a 1% per annum social rent reduction for 4 years. All Oldham housing stock would be exempt from this

decrease and an increase would be applied in accordance with current Government guidance.
Should the Council not wish to continue with the established practice of following Government guidelines, 2 potential scenarios had been assessed:

- proposed rent increase of 3.4% is changed to 2%
- proposed rent increase is removed altogether

The loss to the Housing Revenue Account in 2019/20 in terms of income would be £0.114m at a 2% increase and £0.278 with no rent increase. The cumulative impact of this income loss over the life of the Business Plan would have a lasting and significant impact on the long term financial strength of the HRA.

RESOLVED – That:

1. The forecast Housing Revenue Account outturn for 2018/19 as per Appendix A to the report be approved and commended to Council.
2. The proposed Housing Revenue Account budget for 2019/20 as per Appendix B to the report be approved and commended to Council.
3. The strategic estimates for 2019/20 to 2023/24 as per Appendix D to the report be approved and commended to Council.
4. The proposed increase to dwelling rents for all properties of 3.4% be approved and commended to Council.
5. The proposed increase to non-dwelling rents as per individual contracts be approved and commended to Council.
6. The Private Finance Initiatives 2 and 4 service charges are unchanged be approved be approved and commended to Council.
7. The proposal that Private Finance Initiative 2 concierge charges are set in line with actual costs for full recovery be approved and commended to Council.
8. The proposal that the Council takes whatever action is within its powers to support tenants in receipt of Universal Credit who are impacted by there being 53 rent weeks in 2019/20 be approved and commended to Council.

10 **CAPITAL STRATEGY AND CAPITAL PROGRAMME FOR 2019/20 TO 2023/24**

The Cabinet gave consideration to a report of the Director of Finance which set out the proposed Capital Strategy for 2019/20 to 2023/24, and thereby the proposed 2019/20 Capital Programme, including identified capital investment priorities, together with the indicative capital programme for 2020/21 to 2023/24, having regard to resources available over the lifetime of the programme.

Capital Strategy

The Council's Capital Strategy and Capital Programme were set over a five year timeframe.
In preparing the 2019/20-2023/24 Capital Strategy, essential elements of the 2018/22 and previous years and strategies and programmes were moved forward in the context of the financial and political environment for 2019/20.

The principles of the Strategy had been prepared in light of all available information and listed areas of potential future investment, subject to the availability of resources.
The Chartered Institute of Public Finance and Accountancy (CIPFA) revised 2017 Prudential Code and Treasury Management Code required, for 2019/20 all Local Authorities to prepare an additional report, a capital strategy report. Whilst the Council had traditionally prepared a capital strategy, the presentation had been changed to ensure compliance with the new guidance. The strategy was therefore presented so that it provided:

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

The strategy was presented in 15 sections to ensure all Council Members were presented with the overall long term capital investment policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

Capital Programme 2018/19-2022/23

The Council capital spending in relation 2018/19 was a key determinant of the 2019/20 programme. The latest available capital monitoring report for the period 2018/19 to 2022/23 at month 8 included capital expenditure totalling £48.952m for 2018/19 matched with corresponding financing.
The People and Place Directorate which managed all of the major regeneration projects had the largest area of expenditure (£31.265m). Prudential borrowing provided the main source of financing (£26.995m) followed by grants and other contributions (£16.068m).
Actual expenditure to 30 November 2018 was £24.637m. The spending profile was in line with previous years, and the position would be kept under review.

Capital Programme 2019/20-2023/24

The Council had set out its Capital Programme for the period based on the principles of the Capital Strategy. The Capital Programme and Strategy had been influenced by the level of resources available.
Anticipated expenditure and matched financing for the period 2019/20 to 2023/24 totalled £262.198m. This incorporated resources expected to be carried forward from 2018/19 and reflected the 2018/19 month 8 monitoring position together with enhanced projection of expenditure.
The detailed programme was set out at Annex C of the Appendix 1.
Proposed expenditure for 2019/20 was £84.332m with the largest area of being on schools, development and infrastructure projects within the People and Place Directorate.
As in previous years a major source of financing was prudential borrowing and Government grants.
It was, however, likely that the capital position would change prior to the start of 2019/20 and during the year as:

- it was possible that there would be further Government funding allocations prior to the start of 2019/20.

- the outcome of specific grant bids would become known.
- it was likely that there would be additional initiatives announced.
- 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 would be kept under review and any new information about funding allocations would be presented to Members in future reports.
The proposed Capital Strategy and Capital Programme for 2019/20 to 2023/24 was presented for scrutiny to the Overview and Scrutiny Performance and Value for Money Select Committee on 24 January 2018. The Select Committee was content to commend the report to Cabinet for approval.
Options/Alternatives considered
Members could choose to accept the proposed Capital Strategy and Capital Programme or revise and suggest an alternative approach to capital investment.

RESOLVED – That:

1. The Capital Strategy for 2019/20 to 2023/24 detailed at Appendix 1 and summarised at section 2.1 of the report be approved and commended to Council.
2. The Capital Programme for 2019/20 and indicative programmes for 2020/21 to 2023/24 at Annex C of Appendix 1 and summarised at section 2.2 to 2.6 of the report be approved and commended to Council.
3. The Flexible Use of Capital Receipts Strategy as presented at Annex D of Appendix 1 of the report be approved and commended to Council.

11 **TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20 - 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 strategy for 2019/20 Treasury Management activities including Prudential Indicators, the Annual Investment Strategy, the Minimum Revenue Provision Policy Statement and linkages to the Capital Strategy.
It was reported that the strategy for 2019/20 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 and made recommendations with regard to the Treasury Management Strategy for 2019/20.
The Council was required to operate a balanced budget which broadly meant that cash raised during the year would meet cash expenditure and part of the treasury management operation was to ensure that cash flow was adequately planned with cash being available when needed.
The second main function of the treasury management service was the funding of the Council's capital plans, which provided a guide to the borrowing need of the Council, essentially the

longer term cash flow planning to ensure that the Council could meet its capital spending obligations.
The Treasury Management Strategy 2019/20 was based on the current guidance which resulted from revisions to the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance, the MHCLG Minimum Revenue Provision Guidance, thehe Chartered Institute of Public Finance and Accountancy (CIPFA) revised 2017 Prudential Code and Treasury Management Code. These required additional disclosures which were included in the report together with alignment with the disclosures in the Capital Strategy report (itself prepared in accordance with the revised CIPFA Prudential and Treasury Management Codes).
The report was considered by the Performance and Value for Money Select Committee on the 24th January 2018 and was commended to Cabinet.
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 Expenditure Estimates as per paragraph 2.1.2 be approved and commended to Council.
2. The Minimum Revenue Provision policy and method of calculation as per Appendix 1 of the report be approved and commended to Council.
3. The Capital Financing Requirement (CFR) projections as per paragraph 2.2.4 of the report be approved and commended to Council.
4. The projected treasury position as at 31/03/2019 as per paragraph 2.3.4.of the report be approved and commended to Council.
5. The Treasury Limits for 2019/20 to 2021/22 as detailed in section 2.4 of the report be approved and commended to Council.
6. The Borrowing Strategy for 2019/20 as per section 2.6 of the report be approved of the report be approved and commended to Council.
7. The Annual Investment Strategy as per section 2.10 including risk management and the creditworthiness policy at section 2.11 of the report be approved and commended to Council.
8. The level of investment in non-specified investments as detailed at Appendix 5 to the report be approved and commended to Council.

12 **STATEMENT OF THE CHIEF FINANCIAL OFFICER ON RESERVES, ROBUSTNESS OF THE ESTIMATES AND AFFORDABILITY AND PRUDENCE OF CAPITAL INVESTMENTS IN THE 2019/20 BUDGET SETTING PROCESS**

The Cabinet considered a report of the Director of Finance (Chief Financial Officer) that was prepared in accordance with

the requirement of 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 level of general balances to support the budget and an appropriate level of earmarked reserves maintained by the Council in accordance with the agreed Council policy on earmarked reserves was an integral part of its continued financial resilience supporting the stability of the Council.
The report 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 detailed revenue budget within a five year Medium Term Financial Strategy (MTFS), a five year capital programme and the continuation of the early closure of accounts. This allowed early focus on the coming challenges and a robust financial transformation programme.
The financial resilience depended in part on the Council maintaining an adequate level of reserves which were set out in the report. The Audit Committee at its meeting in July 2018 considered the policy on earmarked reserves and it was proposed to action the same review after the closure of accounts for 2018/19.
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 2019/20 at £14.250m be approved. Any Excess funding in general balances at the financial year end would be transferred to the financial mitigations reserves to support future budgets.
2. The initial estimate of General Balances to support the 2020/21 Medium Term Financial Strategy and the 2021/22, 2022/23 and 2023/24 Medium Term Financial Strategy were £14.814m and £14.134 respectively.
3. Submission of the intended report to the Audit Committee to ensure the Council reserves were subject to appropriate scrutiny, be noted.
4. The actions necessary to secure a properly balanced budget as presented in paragraph 3.6of the report be approved.
5. The actions necessary to ensure the prudence of the capital investments as presented in paragraph 4.4 of the report be approved.
6. The report be commended to Council for approval

13 **2019/20 COUNCIL TAX REDUCTION SCHEME**

The Cabinet gave consideration to a report of the Director of Finance which sought approval of the Council Tax Reduction Scheme for 2019/20 and to recommend the scheme to Council for approval.

It was reported that it was a requirement each year that a billing authority must formally consider revising its Council Tax Reduction Scheme (CTRS).

To accord with the legislative timetable any changes to the scheme must be agreed by full Council in line with budget setting and no later than 10th March 2019.

Cabinet in August 2018 agreed to a full public consultation focusing on areas of review that either maintained the status quo or introduced changes that would be beneficial to the claimant.

The consultation sought views on the maintenance of the maximum support afforded under the scheme of 85% of a Band A Council Tax property charge, a range of changes to the calculation of Council Reduction for Universal Credit claimants and the alignment of income disregards, already in place in the national Housing Benefit Scheme with the local Council Tax Reduction Scheme.

A public consultation was carried out over the period 12th September 2018 to 24th October 2018. Overall respondents were in favour of the proposals with an average of 77% agreement across the four changes and 71% in favour of maintaining the current 85% scheme.

The Overview and Scrutiny Performance and Value for Money Select Committee at its meeting of the 24th January 2019 was content to agree to the proposed 2019/20 Council Tax Reduction scheme and commended to Cabinet.

Options/Alternatives considered

Option 1 - Maintain the present level of support i.e. Limiting the level of support at 85% of Council Tax of a Band A property as the maximum amount available and

Change 1 – Making a Claim – Information received by the Council from the DWP relating to a claim for Universal Credit could be treated as a claim for Council Tax Reduction.

Change 2 – Earnings Disregard – As detailed within the report.

Change 3 – Housing Costs – Universal Credit Claimants as detailed within the report.

Change 4 – Disregarded Income as detailed within the report.

RESOLVED – That the Cabinet approved and commended to Full Council the proposed Council Tax Reduction Scheme changes for 2019/20:

i. To continue to limit support to a maximum of 85% of Council Tax of a Band A property
ii. Treat information received from the Department for Work and Pensions (DWP) about Universal Credit entitlement as a claim for Council Tax Reduction
iii. Apply earnings disregards for Universal Credit/Council Tax Reduction (UC/CTR) claims as set out below
    - Single claimant £5 per week
    - Couple £10 per week

- Disabled/Carer £20 per week
- Lone Parent £25 per week

iv. Incorporate housing costs into the UC/CTR calculation

v. Apply disregards for Bereavement Support Allowance and post graduate master's degree loan and special support payments in the assessment of Council Tax Reduction

The meeting started at 6.00pm and ended at 18.28

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Report to Council

Housing Revenue Account Estimates for 2019/20 to 2023/24 and Proposed Outturn for 2018/19

Portfolio Holder:
Joint Report of the Deputy Leader and Cabinet Member (Finance and Corporate Resources), Councillor Abdul Jabbar MBE and Cabinet Member (Housing), Councillor Hannah Roberts

Officer Contact: Anne Ryans, Director of Finance

Report Author: John Hoskins, Finance Manager
Ext. 1323

27 February 2019

Reason for Decision

The report sets out the Housing Revenue Account (HRA) detailed budget for 2019/20 and strategic estimates for the four years 2020/21 through to 2023/24 and the latest outturn estimate for 2018/19. The report also sets out the recommended dwelling and non-dwelling rents and service charge increases to be applied from April 2019.

Executive Summary

The report sets out the HRA proposed 2019/20 original budget and the forecast outturn for 2018/19. The opportunity is also taken to present the provisional strategic budgets for 2020/21 through to 2023/24.

After taking all relevant issues into account, the projected financial position for 2018/19 is estimated to be a £2.506m positive variance when compared to the original budget forecast for 2018/19 approved at the February 2018 Budget Council meeting. The majority of this variance is attributable to the re-profiling of HRA funded capital schemes into later years due to revisions to planned spending profiles.

The financial position for 2019/20 shows an estimated HRA closing balance of £19.477m which is considered to be sufficient to meet future operational commitments and the potential financial pressures identified in the risk assessment.

The 2019/20 position has been presented after allowing for an increase in rent of 3.4%.

Members will recall that the Government has already advised that PFI properties are exempt from Central Government's 1% Social Rent Reduction Programme. As all Oldham housing stock is contained within two PFI schemes the 2019/20 budget will follow historic rent setting guidance of CPI plus 1%, resulting in an increase of 3.4% (CPI is taken as at September 2018).

The HRA detailed budget for 2019/20 and strategic estimates for the four years 2020/21 through to 2023/24 and the outturn estimate for 2018/19 was presented to the Overview and Scrutiny Performance and Value for Money Select Committee on 24 January 2019. The Select Committee was content to commend the report to Cabinet for approval. Cabinet duly considered and approved the report at its meeting on 11 February 2019 and commended the report to Council.

Recommendations

That Council approves the:

1. Forecast HRA outturn for 2018/19 (as per Appendix A).
2. Proposed HRA budget for 2019/20 (as per Appendix B).
3. Strategic estimates for 2019/20 to 2023/24 (as per Appendix D).
4. Proposed increase to dwelling rents for all properties of 3.4%.
5. Proposed increase to non-dwelling rents as per individual contracts.
6. Proposal that PFI 2 and 4 service charges are unchanged.
7. Proposal to set PFI 2 concierge charges in line with actual costs for full recovery.
8. Proposal that the Council takes whatever action is within its powers to support tenants in receipt of Universal Credit who are impacted by there being 53 rent weeks in 2019/20.

Housing Revenue Account Estimates for 2019/20 to 2023/24 and Proposed Outturn for 2018/19

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. As part of this process the HRA Budget report for 2019/20 was presented at the Overview and Scrutiny Performance and Value for Money Select Committee (PVFM) on 24 January 2019. The Select Committee accepted the recommendations in the budget report and commended the report to Cabinet. Cabinet duly considered and approved the report at its meeting on 11 February 2019 and commended the report to Council.

2 Current Position

Housing Stock

2.1 The Council's housing stock currently comprises 2,062 properties with all properties being managed and maintained within two Private Finance Initiative (PFI) schemes.

PFI 2 Sheltered Housing

2.2 The PFI 2 Contract between the Council and Housing 21 was signed in 2006 to provide 1,431 (plus one additional property subsequently added in 2016) 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 was £105m, all of which is payable through an annual unitary charge and funded by the annual PFI grant alongside rental income received.

PFI 4 Gateways to Oldham

2.3 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 utilised private finance to fund the construction works and to 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. The Council has subsequently sold four properties under the Right to Buy Scheme (RTB).

The Self-Financing Housing Revenue Account

2.4 April 1 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 utilise 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.

2.5 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 enabled the Council's HRA to raise approximately £9m in new borrowing.

2.6 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 to the HRA. This transitional period finished in 2016/17 with the first actual depreciation charge against the HRA due to be made in 2017/18. Charging depreciation within the HRA is aimed at ensuring Authorities are accumulating appropriate balances in order to have sufficient resources to allow for any repairs needed to their housing stock.

2.7 As Oldham's entire housing stock is contained within two PFI schemes, there already exists an allocation of funding for ongoing repairs and maintenance within the unitary charge paid. Based on conversations with the Ministry of Housing, Communities and Local Government (MHCLG) Oldham has been advised that this directive does not apply to our housing stock given its PFI status. However discussions have been ongoing with Central Government and External Audit for some time with the aim of formally approving an approach that reflects stock contained within PFI contracts. Despite pressing for a response the Council has not yet received official confirmation from the MHCLG. However, guidance and advice received to date suggests that the Council has interpreted the policy correctly. As a result the HRA Business Plan has been calculated assuming that all future repairs and maintenance will be catered for within the unitary charge payments.

Rent Restructuring

2.8 Rent restructuring (convergence) was originally 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.

2.9 Oldham Council has complied with all proposed Central Government rent restructuring guidance in every year from 2002/03 to the present day.

2.10 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 April 2015). These proposals were formalised in the Government document, "Direction on the Rent Standard 2014" published 23 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 mortgage costs which in previous years had led to increased rate volatility.

2.11 In the Chancellor's Summer Budget announcement in July 2015 and the subsequent Welfare Reform and Work Act, Government detailed legislative moves to impose social rent reductions at 1% for 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 the move would lead to significant public sector savings. However an exemption to this was issued for properties covered by PFI contracts meaning that Oldham has continued to determine rents based on the Government guidance set out in paragraph 2.10.

2.12 The level of rents recommended for approval for 2019/20 and included in the 2019/20 budget projections follows current Government guidance. The 2019/20 proposed annual rents for all HRA tenants will therefore see rents increase by 3.4% (based on CPI as at September 2018 of 2.4% plus 1%).

2.13 Based on this Government guidance, it is estimated that the average rent increase from April 2019 will be £1.10 per week (from £84.87 to £85.97). The weekly increase has been mitigated in part because 2019/20 is a 53 week rent year with 49 chargeable weeks rather than the 48 chargeable weeks in 2018/19 (for information, a 48 week chargeable year would have resulted in an increase of £2.89 per week but with an additional free week).

The Revised HRA Budget 2018/19

2.14 The 2018/19 estimated outturn is attached at Appendix A and shows an estimated year end working balance of £21.366m, £2.506m higher than the original budget approved at the February 2018 Budget Council meeting. The majority of the 'in-year' variance can be attributed to the re-profiling of HRA funded capital schemes into later years. Members will also note that the final outturn position for 2017/18 resulted in HRA Balances brought forward of £20.162m, £0.575m higher than the position reported at the February 2018 Budget Council Meeting.

2.15 The composition of the balance is summarised below:

Analysis of HRA Balances 2018/19	Original Budget £000	Revised Budget £000	Variance £000
HRA Balances b/fwd	(19,587)	(20,162)	(575)
(Surplus)/Deficit for the year on HRA Services	727	(1,204)	(1,931)
HRA Balances c/fwd	**(18,860)**	**(21,366)**	**(2,506)**

The HRA Budget 2019/20

2.16 The proposed HRA budget for 2019/20 is attached at Appendix B including all income and expenditure due to be funded from HRA Balances.

2.17 PFI credits for the two schemes are paid on an annuity basis; that is, they remain constant throughout the life of the contracts. 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. HRA balances are specifically earmarked for these contracts and associated capital schemes, as identified in Appendix B.

2.18 Other key assumptions made in determining the budget are that:

1) Average rents are 3.4% higher than for 2018/19 for all HRA tenants;
2) Void levels have been assumed at 2% per annum on PFI 4 properties and at 3% per annum on PFI 2 properties. PFI 2 void percentages have historically been higher as a result of the ongoing tenancy placement work, ensuring 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 assessment of the PFI 2 property void position;
3) There are 49 chargeable rent weeks in 2019/20;
4) Service Charges and Extra Care Housing charges are continued/applied from April 2019 in line with previous approvals.

2.19 The estimated 2019/20 HRA closing balance of £19.477m is considered to be sufficient to meet future operational commitments and the potential financial pressures identified in the

risk assessment. Appendix B presents the projected 2019/20 HRA budget based on the proposed position.

2.20 The estimated HRA budget for 2019/20 to 2023/24 is detailed at Appendix D. Expenditure includes the use of a Revenue Contributions to Capital Outlay (RCCO) to support the expected level of capital expenditure being funded.

Dwelling Rent, Non-Dwelling Rents and Services Charges Increases 2019/20

2.21 The proposed 2019/20 HRA budget is based on dwelling rents increasing in line with current rent setting Government guidance as outlined in paragraph 2.10 above. However, there are 53 weeks in 2019/20 rather than the usual 52. Whilst this does not affect the amount of rent collected in total during the year it does create a potential problem for tenants in receipt of Universal Credit. The Universal Credit system has been designed around rent payments over 52 weeks and so does not allow for a 53 week rent year. This will mean that those tenants will potentially have a week of arrears on their accounts. There are currently representations being made by the Local Government Association (LGA) to the Department of Work and Pensions (DWP) to find a resolution to the problem. If a resolution is notified then the Council will implement this accordingly. However, whatever the outcome nationally, the Council will take whatever action is within its powers to support tenants in receipt of Universal Credit who are impacted by there being 53 rent weeks in 2019/20.

2.22 Non-dwelling rents will be increased in line with individual agreements. It is the Council's intention not to increase service charges.

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 tenants in 2019/20. After a period of transitional charges on PFI 2 properties all tenants are now paying full charges.

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 allowing the establishment of a more stable and realistic financial environment in which to manage the housing stock.

2.26 The Council has recognised the financial pressure that a 3.4% rent uplift will have on tenants and for this reason it has chosen to freeze service charges for a second consecutive year at 2017/18 prices.

Extra Care Housing (ECH)

2.27 All six ECH schemes (Trinity House, Aster House, Charles Morris House, Tandle View Court, Old Mill House and Hopwood Court) have now completed their phased 3 year charging period for Concierge Services. It is proposed that the weekly charge is increased in line with Housing and Care 21's pay inflation from £19.39 to £19.69 reflecting the actual cost incurred by the Council.

Sale of High Value Council Homes

2.28 Members will recall that there was a proposed Government policy, first announced in 2015, that recommended a requirement that all Councils sell high value Council stock once a property becomes vacant. The aim of the policy was to encourage Councils to sell properties in their higher value areas and use the capital receipt to build an increased number of houses where housing costs are lower.

2.29 As part of the Social Housing Green Paper published in August 2018, this policy has now officially been dropped.

Extension of Right To Buy (RTB)

2.30 The Government has also announced plans to extend the Right to Buy (RTB) legislation to include Housing Associations. A pilot project of this offer was announced for the Midlands area starting in April 2018. As this only affects Housing Associations there are no direct implications for the Council, however the Council will continue to monitor the situation as the scheme progresses.

Local Housing Allowance (LHA)

2.31 The Government had announced that it would not apply the LHA to Supported Housing and the wider social rented sector and had suggested an alternative funding method from April 2020. After consultation, the Government announced in August 2018 that it had abandoned plans to bring in grants and a sheltered rent to fund social housing and that it would continue to be funded via Housing Benefits.

Increase in Borrowing Limits

2.32 Within the November 2017 Autumn Budget it was announced that Local Authorities in high demand areas would be invited to bid to allow for an increase in their borrowing caps. This was intended to stimulate the growth in the provision of Social Housing. In order to be eligible to bid, the qualifying criteria was such that average private rent within an area needed to be at least more than £50 per week higher than average social rent. However, once the list of eligible Authorities was announced it was confirmed that Oldham would not qualify.

2.33 In the Budget Announcement of October 2018 the Government revealed plans to remove the borrowing cap for all Authorities by the end of the month. A draft determination statement was issued by The Secretary of State for Housing, Communities and Local Government, the Rt Hon James Brokenshire MP stating that Councils would be able to borrow for new build, provided they followed current prudential borrowing guidelines. Comments were invited on the draft determination by 24 October 2018, following which the determination came into force on 1 November 2018. While this offers great potential for funding larger projects, consideration needs to be given around the length of time the loan would take to repay along with the interest payable. Lending and borrowing interest rates currently make it prudent to use balances before any loan is sought. There are already a number of planned capital projects which will utilise some of the HRA balances and detailed consideration is needed to determine, what if any, prudential borrowing is appropriate given the requirement to finance the cost of any such borrowing from the HRA.

Strategic HRA Estimates 2020/21 to 2023/24

2.34 The projected forecasts for 2020/21 to 2023/24 are attached at Appendix D. As per paragraph 2.1, the HRA only includes properties which are managed under the two PFI contracts. Based on current estimates, it is expected that the HRA balance will be £17.351m at the end of 2020/21, £13.365m at the end of 2021/22, £14.417m at the end of 2022/23 and £16.174m at the end of 2023/24.

2.35 It should be noted that in both PFI schemes a proportion of the unitary charge is indexed with reference to inflation based on the Retail Prices Index (RPI) rather than the Consumer Price Index (CPI).

3 Options/Alternatives

3.1 In order for the Council to comply with legislative requirements, it must consider and approve a HRA budget for 2019/20.

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 is exempt from this decrease and therefore an increase has been applied since this date in accordance with previous Government rent setting 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 3.4% is amended to 2%
- Proposed rent increase is removed altogether.

The loss to the HRA for 2019/20 in terms of rental income would be, £0.114m at a 2% rent increase and £0.278m with no rent increase, as shown below.

Average Increase in Rent	2% £000	0% £000
Impact in 2019/20	114	278
Impact over remaining life of Business Plan	4,150	10,077

3.4 Although losses in income for 2019/20 could be considered manageable, it is the cumulative impact of sustained losses of income that would have a lasting and significant impact on the long term financial strength of the HRA and potentially its ability to meet its current and future financial commitments. This is emphasised with the inflation factor built into the Unitary Charge. A proportion of the Unitary Charge expenditure currently increases by an inflation factor linked to the Retail Price Index (RPI), therefore were the Council not to introduce the proposed rent increase, or to increase rents at a level below the current proposal, it would limit the ability of the HRA to meet its future financial commitments.

4 Preferred Option

4.1 The preferred option is that the dwelling rent increase of 3.4% is approved together with the other recommendations of the report.

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, the Council has endeavoured to undertake a thorough consultation with tenants. For example the Council has staged additional, more frequent drop-in sessions and Court Voices meetings where tenants are encouraged to raise any concerns thus allowing a forum for further consultation. It was through Court Voices that tenants, in conjunction with Housing Officers, compiled a list of specific wants which were then considered and approved as part of the HRA element of the Council's Capital Strategy.

5.2 As part of this consultation process, the HRA detailed budget for 2019/20 and strategic estimates for the four years 2020/21 through to 2023/24 and the outturn estimate for 2018/19 was presented to the Overview and Scrutiny Performance and Value for Money Select Committee on 24 January 2019. The Select Committee was content to accept the

recommendations in the report but requested a revision so that the Council would, where possible, assist tenants in receipt of Universal Credit impacted by the 53 week rent year (this is now included in the report at paragraph 2.21 and recommendation 8). Cabinet subsequently approved the report and commended it to Council at its meeting of 11 February 2019.

6 Financial Implications

6.1 The proposals set out in this report are based upon the best assessment of the likely financial position of the Council's HRA for 2018/19 to 2023/24. 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 known obligations for the foreseeable future. (John Hoskins)

7 Legal Services Comments

7.1 It is a 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. (Colin Brittain)

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 2018/19 to 2023/24. Attached at Appendix C is a risk register as at February 2019. Forecasting remains challenging and there are a number of key issues that, should they change, affect the proposed budget.

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 FCR–14-18

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 attached as Appendices A to D
Officer Name:	John Hoskins, David Leach and Anne Ryans
Contact No:	0161 770 1323/6679/4902

20 Appendices

Appendix A	Revised HRA Income & Expenditure Account 2018/19.
Appendix B	Original HRA Income & Expenditure Account 2019/20.
Appendix C	2019/20 – 2023/24 Risk Assessment as at February 2019.
Appendix D	HRA Income & Expenditure Account 2019/20 to 2023/24 Strategic Forecasts.

Revised HRA Income & Expenditure Account 2018/19 **Appendix A**

Revised HRA Income & Expenditure Account 2018/19	Original Budget	Latest Forecast	Variance to Budget
	£000	£000	£000
Income			
Dwellings Rents (gross)	(8,185)	(8,185)	0
Non Dwelling Rents	(37)	(38)	(1)
Charges for Services and Facilities	(1,087)	(1,001)	86
Contributions towards Expenditure	(35)	(20)	15
PFI Grant	(18,786)	(18,799)	(13)
Total Income	(28,130)	(28,043)	87
Expenditure			
Unitary Charge Payments (PFI2 and PFI4)	23,064	23,289	225
Supervision & Management	461	461	0
Depreciation and Impairment of Fixed Assets	146	146	0
Rent, Rates and Other Charges	2,730	3,074	344
Revenue Contribution to Capital Outlay (RCCO)	2,675	88	(2,587)
Total Expenditure	**29,076**	**27,058**	**(2,018)**
Net Cost of HRA Services	**946**	**(985)**	**(1,931)**
Interest and Investment Income	(219)	(219)	0
(Surplus)/Deficit for the year on HRA Services	727	(1,204)	(1,931)
HRA Balances brought forward	(19,587)	(20,162)	(575)
HRA Balances carried forward	**(18,860)**	**(21,366)**	**(2,506)**

Original HRA Income & Expenditure Account 2019/20 **Appendix B**

Original HRA Income & Expenditure Account 2019/20	Original Budget
	£000
Income	
Dwellings Rents (gross)	(8,464)
Non Dwelling Rents	(38)
Charges for Services and Facilities	(1,076)
Contributions towards Expenditure	(39)
PFI Grant	(18,799)
Total Income	**(28,416)**
Expenditure	
Unitary Charge Payments (PFI2 and PFI4)	23,639
Supervision & Management	465
Depreciation and Impairment of Fixed Assets	146
Rent, Rates and Other Charges	2,425
Revenue Contribution to Capital Outlay (RCCO)	3,849
Total Expenditure	**30,524**
Net Cost of HRA Services	**2,108**
Interest and Investment Income	(219)
(Surplus)/Deficit for the year on HRA Services	1,889
HRA Balances brought forward	(21,366)
HRA Balances carried forward	**(19,477)**

Appendix C

HOUSING REVENUE ACCOUNT

2019/20 – 2023/24 RISK ASSESSMENT AS AT FEBRUARY 2019

RISK EVENT/ DESCRIPTION	LIKELIHOOD	IMPACT	RESERVE POSITION
1. The void level assumed on dwelling properties increases.	The proposed budget assumes a 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; however the full impact of welfare reform from a limit on Housing Benefits could force more tenants out of social housing and increase void levels.	A change in the void percentage of 1% (approximately 21 properties) has the impact, in a full year, of £0.087m.	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 small movements on voids.
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 HRA budget. However, Welfare Reform has the potential to impact on rent collection levels.	Rental income is accounted for within 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 or doubtful 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.
3. Service Charge Recovery	Service charges are currently eligible for Housing Benefits so it is relatively low risk that the majority of service charge costs will be unrecovered. Self-payers may incur some level of difficulty however the percentage of self-payers as part of the overall tenancy profile is relatively small.	In 2019/20 the total level of service charges is budgeted in excess of £0.500m (excluding concierge and court manager costs). Any reduction in this could impact the HRAs ability to maintain and develop new schemes and services.	Tenants failing to pay their service charges will have a detrimental effect on the HRA reserve, although given the high number of tenants on Housing Benefit, the level of collection is still expected to remain high.
4. Extra Care Housing (ECH) Charge Recovery	ECH charges are eligible for Housing Benefits so it is of relatively low risk that the majority of ECH charge costs will be unrecovered. Self-	In 2019/20 it is expected each qualifying tenant i.e. a tenant within one of the six approved Extra Care	Tenants failing to pay their ECH charge will have a detrimental effect on the reserve, although

RISK EVENT/ DESCRIPTION	LIKELIHOOD	IMPACT	RESERVE POSITION
	payers may incur some level of difficulty. However the percentage of self-payers as part of the overall tenancy profile is relatively small.	Housing Group Schemes, will need to pay approx. £950 pa towards ECH charges. Costs of chasing recovery will also need to be considered.	given the close correlation to Housing Benefit, the levels of collection are expected to remain high.
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 index 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 2018, the month used for all rent calculations, the difference between the two indices was under 1.0%. 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.
6. Change in Guidance on the charging of depreciation	The transitional period for how the HRA accounts for depreciation ceased on 31 March 2017 so from 2017/18 onwards there is now a requirement to set aside an amount equal to depreciation into the Major Repairs Reserves (MRR) to cover repairs and maintenance on HRA stock. However all Oldham Council stock of approx. 2,000 properties are covered under PFI contracts whereby the Unitary Charge paid has an element included for repairs and maintenance (R&M). This will mean that if there is a transfer into the MRR the Council will accumulate a higher level of reserves that are required as all the R&M has already been financed.	The current forecast amount that would need to be set aside from 2019/20 is approx. £4.9m per annum. This would soon place the HRA in deficit but at the same time create an unrequired MRR.	Advice is being sort on an on-going basis from MHCLG, External Auditors and other stock owning Authorities. The position will be reviewed once the guidance has been issued.

RISK EVENT/ DESCRIPTION	LIKELIHOOD	IMPACT	RESERVE POSITION
	Despite pressing the MHCLG on the subject, the Council has yet to receive official clarification on this matter. Guidance and advice received to date suggests that the Council has interpreted the policy correctly. The Council is advised that any change from the assumed approach would not become a material issue in the auditing of the accounts for several years.		

HRA Income & Expenditure Account 2019/20 to 2023/24 Strategic Forecasts **Appendix D**

HRA Income & Expenditure Account 2019/20 to 2023/24 Strategic Forecasts	Original 2019/20	Original 2020/21	Original 2021/22	Original 2022/23	Original 2023/24
	£000	£000	£000	£000	£000
Income					
Dwellings Rents (gross)	(8,464)	(8,752)	(9,049)	(9,357)	(9,675)
Non Dwelling Rents	(38)	(38)	(39)	(39)	(39)
Charges for Services and Facilities	(1,076)	(1,076)	(1,076)	(1,076)	(1,076)
Contributions towards Expenditure	(39)	(84)	(109)	(228)	(233)
HRA Subsidy ~ PFI Credits	(18,799)	(18,799)	(18,799)	(18,799)	(18,799)
Total Income	(28,416)	(28,749)	(29,072)	(29,499)	(29,822)
Expenditure					
Unitary Charge Payments (PFI2 and PFI4)	23,639	23,992	24,350	24,713	25,082
Supervision & Management	465	470	475	479	484
Depreciation and Impairment of Fixed Assets	146	146	146	146	146
Rent, Rates and Other Charges	2,425	2,453	2,484	2,528	2,572
Revenue Contribution to Capital Outlay (RCCO)	3,849	4,033	5,822	800	0
Total Expenditure	**30,524**	**31,094**	**33,277**	**28,666**	**28,284**
Net Cost of HRA Services	**2,108**	**2,345**	**4,205**	**(833)**	**(1,538)**
Interest Payable and Other Similar Charges					
Interest and Investment Income	(219)	(219)	(219)	(219)	(219)
(Surplus)/Deficit for the year on HRA Services	**1,889**	**2,126**	**3,986**	**(1,052)**	**(1,757)**
HRA Balances brought forward	(21,366)	(19,477)	(17,351)	(13,365)	(14,417)
HRA Balances carried forward	**(19,477)**	**(17,351)**	**(13,365)**	**(14,417)**	**(16,174)**

Report to Council

Capital Strategy and Capital Programme 2019/20 to 2023/24

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

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Ext. 6608

27 February 2019

Reason for Decision

To set out the Capital Strategy for 2019/20 to 2023/24 and thereby the proposed 2019/20 capital programme, including identified capital investment priorities, together with the indicative capital programme for 2020/21 to 2023/24, having regard to the resources available over the life of the programme.

Executive Summary

The Capital Strategy

The Council's Capital Strategy and capital programme are set over a five year timeframe. The proposed Capital Strategy and programme for 2019/20 to 2023/24 takes the essential elements of the 2018/22 and previous years' strategies and programmes and moves them forward in the context of the financial and political environment for 2019/20.

The Strategy does however include a longer term vision, a forward look at those projects that are likely to run beyond the five year strategy and programme period or be initiated subsequently. This covers a timeframe for the 10 years from 2024/25 to 2033/34.

In 2017 the Chartered Institute of Public Finance & Accountancy (CIPFA) issued revised Prudential and Treasury Management Codes. The main requirement was that for 2019/20, all Local Authorities have to prepare an additional report, a Capital Strategy report. The Council has traditionally prepared a Capital Strategy, however under the new guidance additional disclosures have been added to ensure compliance.

The Strategy is presented so that it provides:

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

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

1. The Aims of the Capital Strategy and linkages to other key Strategies
2. The Principles of the Capital Strategy
3. Priority Areas for Investment
4. Supporting Greater Manchester Devolution
5. Affordability, Delivery and Risk Associated with the Capital Schemes
6. Knowledge and Skills
7. Treasury Management
8. Long Term Loans
9. Commercial Activity
10. Capital Resources to Support Capital Expenditure
11. Capital Investment and Disposal Appraisal
12. How the Capital Requirement will be Prioritised
13. How the Council will Procure its Capital Projects
14. How the Council will Measure the Performance of the Capital Programme
15. The Capital Investment Programme Board

The Strategy also advises that the Council is proposing to utilise the flexibility provided by the Ministry of Housing, Communities and Local Government (MHCLG) to use capital receipts to fund the revenue cost of transformation. The 2019/20 revenue budget will rely on up to £3m of such funding from capital receipts. Annex D sets out the required Flexible Use of Capital Receipts Strategy which advises of the summary of planned receipts, use and savings.

Capital Programme 2018/19 to 2022/23

The 2018/19 month 8 capital monitoring position was approved at the Cabinet meeting of 11 February 2019 and the projections included in that report are key determinant of the 2019/20 programme. As many schemes span more than one year, the anticipated level of reprofiling between years sets the underlying position.

The People and Place Directorate which manages all of the major regeneration projects, constitutes the main area of expenditure (£31.265m). Prudential Borrowing provides the main source of financing (£26.995m) followed by Grants and Other Contributions (£16.068m).

Actual expenditure to 30 November 2018 was £24.637m (50.33% of forecast outturn). This spending profile is in line with previous years, however the position will be kept under review and budgets will continue to be managed in accordance with forecasts.

Capital Programme 2019/20 to 2023/24

The Council has set out its capital programme for the period 2019/20 to 2023/24 based on the principles of the Capital Strategy. The Capital Programme and Capital Strategy have been influenced by the level of resources considered available. The level of prudential borrowing included reflects the financing available in the revenue budget, capital receipts align with forecasts and grant funding and other contributions are based on already notified allocations or best estimates at time of preparation. If additional resources become available, projects that meet the Council's strategic capital objectives will be brought forward for approval.

Anticipated expenditure and matched financing for the period 2019/20 to 2023/24 totals £262.198m. This incorporates resources expected to be carried forward from 2018/19 and reflects the 2018/19 month 8 monitoring position together with an enhanced projection of expenditure for 2019/20 to 2023/24 incorporating anticipated spending on new initiatives and an allowance, at funds yet to be allocated for new priorities (£12.500m over the life of the Capital Strategy). The detailed programme is set out at Annex C of Appendix 1 on a Portfolio basis.

A review of the capital programme has highlighted that there is already a full range of commitments for the period 2019/20 to 2023/24 but additional funding allocations totalling £53.742m have been added to support a number of schemes. However, due to the revision in contributions to schemes from external funders, the anticipated grant contribution element of the funding has reduced by £6.823m, leaving an increase from the 2018/19 projected capital programme of £46.919m.

The capital programme includes proposed expenditure for 2019/20 of £84.332m, with the largest area of expenditure being on schools, development and infrastructure projects within People and Place Directorate. Total expenditure decreases to £77.706m in 2020/21, then rises to £80.785m in 2021/22, and falls to £13.411m in 2022/23 and in the final year of the current programme 2023/24 spend is estimated at £5.964m.

Resources Available to Support the Capital Programme

The Government is continuing to provide significant levels of grant funding, after an initial reduction at the start of the austerity period. The main source of grant income remains education-related with Basic Need Capital grant funding allocations totalling £20.310m for 2019/20 and £9.819m for 2020/21. The grant funding provided by Government can be split into two categories: un-ringfenced and ringfenced resources, as explained in Section 10 of the Capital Strategy. The vast majority of capital Government Grant funding is un-ringfenced. Resources classified as ringfenced have to be utilised to finance particular categories of expenditure and therefore are restricted in their use. The 2019/20 capital programme relies on £26.972m of un-ringfenced and £7.689m of ringfenced grants.

As in previous years, a major source of financing remains prudential borrowing; the amount required in 2019/20 (£26.713m) includes borrowing attributed to schemes that have slipped from prior years. 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.

On-going Review of the Capital Programme

There will be a continued review of capital spending requirements as the Council has further regeneration ambitions but affordability and deliverability will be key consideration in this regard. It is, however, likely that the capital position will change prior to the start of 2019/20 and during the year as:

- There may be further Government funding allocations announced prior to the start of 2019/20.
- The outcome of specific grant bids will be announced during 2019/20.
- 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.

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.

Consultation

There has been consultation on the proposed Capital Strategy and Capital Programme for 2019/20 t0 2023/24, including with the Overview and Scrutiny Performance and Value for Money Select Committee on 24 January 2019. The Select Committee was content to commend the report to Cabinet for approval. Cabinet duly considered and approved the report at its meeting on 11 February 2019 and commended the report to Council.

Recommendations

That Council approves:

i) The Capital Strategy for 2019/20 to 2023/24 at Appendix 1 of this report and summarised at section 2.1.

ii) The capital programme for 2019/20 and indicative programmes for 2020/21 to 2023/24 at Annex C of Appendix 1 and summarised at sections 2.2 to 2.6 of this report.

iii) The Flexible Use of Capital Receipts Strategy as presented at Annex D of Appendix 1.

Capital Strategy and Capital Programme 2019/20 to 2023/24

1. Background

1.1 In accordance with good practice, the Council has traditionally prepared a Capital Strategy, the overarching aim of which is to provide a framework within which the Council's capital investment plans will be delivered. This Capital Strategy for 2019/20 to 2023/24 has been prepared to cover an initial five year time-frame to align with the Medium Term Financial Strategy of which it is an integral part. Recognising that there is some uncertainty, especially in relation to funding in later years, the Strategy therefore focuses on 2019/20 and 2020/21 in detail.

1.2 The Strategy does however include a longer term vision, which also covers the time frame for 10 years from 2024/25 to 2033/34. This takes a forward look at those projects that are likely to run beyond the initial five year strategy and programme period.

1.3 The format of the Capital Strategy has been amended to reflect the Prudential and Treasury Management Codes issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2017 which requires Authorities to prepare a Capital Strategy and include specific information within it. The Strategy therefore presents:

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

1.4 This report therefore summarises the key elements of the Capital Strategy which are outlined in more detail at Appendix 1.

1.5 The report also presents the proposed 2019/20 to 2023/24 capital spending plans of the Council together with an update on spending in 2018/19, which has a significant influence over the profiling of expenditure into future years.

2 Current Position

2.1 Capital Strategy 2019/20 to 2023/24

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 over a five year timeframe 2019/20 to 2023/24 but as advised above, the format and content of the Capital Strategy has been changed to reflect the Prudential and Treasury Management Codes issued by CIPFA in 2017 which for the first time requires Authorities to prepare a Capital Strategy and include specific information within it.

2.1.2 The Capital Strategy is therefore prepared to ensure that all Council Members are presented with the overall long-term capital investment policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

2.1.3 The Capital Strategy, which now incorporates specific information on non-treasury investments, is aligned to but reported separately from the Treasury Management Strategy Statement. This ensures the separation of commercial investment, usually

driven by expenditure on an asset, from the core treasury function which operates under the principles of security, liquidity, yield and an ethical approach.

2.1.4 Specifically in relation to non-treasury investments, the Capital Strategy includes, where appropriate:

- The corporate governance arrangements;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution to support the Councils budget;
- The debt related to the activity and the associated interest costs;
- The payback period (Minimum Revenue Provision policy);
- For non-loan type investments, the cost against the current market value; and
- The risks associated with each activity.

2.1.5 The proposed Capital Strategy and capital programme for 2019/20 to 2023/24 takes the essential elements of previous Capital Strategies and programmes and moves them forward in the context of the financial and political environment for 2019/20 onwards. The Capital Strategy is attached at Appendix 1, with the capital programme, which reflects the principles of the Strategy, attached at Annex C of Appendix 1.

2.1.6 The Council has an ongoing investment programme to support a range of regeneration priorities and due to the re-profiling of the delivery of some schemes and the approval of new schemes, the programme has now been revised. Given the size of the regeneration programme, it is an important focus for Council spending within the period covered by this Capital Strategy. This investment is mostly being financed by prudential borrowing which requires financing from the revenue budget. Where possible this funding is generated from increasing income streams from new developments and new schemes. The 2019/20 revenue budget has been prepared to accommodate this with future years' projected costs included in the Medium Term Financial Strategy. 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.

2.1.7 The regeneration of Oldham town centre is a Council priority with a number of major schemes either having been completed or are currently in train. During 2018/19 the vision for the town centre was revisited but during 2019/20 work will be taken forward with the Oldham Museum of Arts / Archives (OMA) and the Tommyfield market as priorities. The finalisation of the town centre vision will determine specific projects, and the extent of the resources required.

2.1.8 The Capital Strategy and spending plans of the Council are driven by the Corporate Plan which was refreshed and updated to sharpen its focus and ensure alignment with the Oldham Plan. The Oldham Plan was endorsed by Council in July 2017. In addition there are two other key strategies that underpin the Council's approach to capital expenditure:

a) During 2017/18, Cabinet approved the Commercial Property Investment Strategy and Fund (CPIS). This formally established an approach and resources to facilitate the development of a robust, property investment portfolio in order to generate a sustainable future income stream to support the Council's mainstream service delivery. With the revised Prudential Code guidance issued in 2017 and in the context of the Capital Strategy, the CPIS gives approval to use capital resources to invest in property to create a revenue return.

b) In August 2018, the Council adopted a Medium Term Property Strategy (MTPS) which set out the general direction that the property portfolio will take over the next 5-10 years, the approach to be adopted in getting there and the policies that will be applied to decision making.

The Council's approach is to have a high level MTPS that incorporates a detailed Asset Management Plan for every property asset / group of assets the Council has, together with a Commercial Property Investment Strategy to guide and set principles of how investment in property is undertaken and income generated.

2.1.9 Aligned to corporate and 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, having regard to the MTPS and CPIS.

The Principles of the Capital Strategy

2.1.10 The Capital Strategy has 16 principles outlined in Appendix 1 Section 2. These are largely unchanged from previous years and emphasise the role of the Capital Investment Programme Board (CIPB) in leading the strategic direction for capital investment with the Terms of Reference of the CIPB included at Annex B of the Appendix 1. The principles include:

- The requirement for all capital schemes to have a sponsor and to undergo a rigorous options appraisal process
- The pooling of all un-ringfenced funds but having regard to specific obligations
- No ringfencing of capital receipts but with some specified exceptions
- Utilising resources to work collaboratively with the Greater Manchester Combined Authority (GMCA) and other public sector agencies to support the evolving devolution agenda
- Supporting greater integration with Oldham Clinical Commissioning Group (CCG) and other NHS partners by making Council capital resources available for joint projects.

These principles frame decision making on capital expenditure and underpin the Council's approach to capital investment.

Priority Areas for Investment

2.1.11 Section 3 of Appendix 1 advises of the priority investment areas identified for the 2019/20 to 2023/24 period that will be taken forward subject to the availability of resources and the approval of a full business case.

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

- Corporate Major Repairs /Disability Discrimination Act (DDA) Adaptations/ Legionella / Health and Safety Projects (Corporate Landlord Function)
- School Condition Works
- ICT Strategy
- Social Care
- Environmental Services
- District Investment Fund

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

a) Social Care
b) Better Care Fund (Disabled Facilities Grant)
c) Upgrade to Crematorium Facilities
d) Low Carbon and Energy Efficiency Initiatives
e) School Investment/ Pupil Places Pressures
f) Surplus Sites
g) Working with NHS Partners
h) AGMA investment Fund Loans
i) Town Centre Regeneration
j) Borough-Wide Regeneration
k) Car Parking
l) Housing Initiatives
m) GM Devolution and Related Initiatives
n) Matched Funding For Grant Bids
o) Northern Roots
p) Royton Town Centre Development
q) Transport Capital Programme
r) Fleet Management

2.1.13 The Strategy does however include a longer term vision, a forward look at those projects that are likely to run beyond the five year strategy and programme period or be initiated subsequently. This covers a timeframe for the 10 years from 2024/25 to 2033/34.

Supporting Greater Manchester Devolution

2.1.14 Section 4 of Appendix 1 advises that devolution continues to transfer more powers and responsibilities from Central Government to Greater Manchester and that as Greater Manchester's local Councils have a history of working together, the Council will strive through its capital programme, to continue to support devolution activities.

Affordability, Delivery and Risk Associated with the Capital Schemes

2.1.15 One of the new requirements for 2019/20 is to state how the Council will ensure that its capital spending plans are affordable, how delivery of projects will be ensured and how risks associated with the capital programme are managed. This is outlined at Section 5 of Appendix 1.

Knowledge and Skills

2.1.16 Another new requirement for 2019/20 is a section on the knowledge and skills of the staff who have responsibility for preparing and on-going management of the capital and treasury management strategies and other key activities in relation to the management of the capital programme. Members can be assured that the has Council suitably skilled and experienced staff and appropriate governance arrangements are in place, as set out more fully in Section 6 of Appendix 1.

Treasury Management

2.1.17 The Capital and Treasury Management Strategies of the Council are closely linked and Section 7 of Appendix 1 therefore sets out how each are prepared to have regard to the key issues and ensuring a complementary and fully aligned approach.

Long Term Loans

2.1.18 Section 8 of Appendix 1 advises that the Council has the ability, should it choose to exercise its powers, to enter into loan arrangements to support delivery of strategic corporate priorities. It also advises that the Council has chosen to make limited use of its ability to enter into loan arrangements, but there is strong governance in place to ensure robust decision making should it be required.

Commercial Activity

2.1.19 Section 9 of Appendix 1 advises that the Corporate Property Investment Strategy gives the Council approval to invest in property solely to generate additional income to support the Council's mainstream service delivery and that the Council also has Treasury Management investments that generate an income stream from property. However, Members can be assured that any such investments are only undertaken after an appropriate due diligence exercise.

Capital Resources to Support Capital Expenditure

2.1.20 Section 10 of Appendix 1 sets out the range of resources that the Council will rely on to support capital spending. 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.

This section also highlights the circumstances where capital receipts will be ringfenced to support specific purposes. This includes ringfencing of up to £3m to support the Council's use of flexibility in the utilisation of the capital receipts (see section 2.1.26).

Capital Investment and Disposal Appraisal

2.1.21 Section 11 of Appendix 1 advises that all capital investment will be commissioned on the recommendation of the CIPB which will enable any expenditure and it's funding to be better aligned with corporate priorities, partners and funding sources. It also advises that the:

- 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; and
- Corporate Property Board oversees acquisition and disposal of land and property assets and monitors the progress of the asset rationalisation programme and performance of the investment portfolio.

How the Capital Requirement will be Prioritised

2.1.22 Section 12 of Appendix 1 advises that once a bid for capital expenditure has passed through the Gateway process, 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 a range of criteria which are not mutually exclusive or in ranking order. Detailed in full at Section 12, these include:

- The relationship to mandatory, contractual or legislative service delivery requirements.
- Whether the project is required to achieve the delivery of a specific revenue budget saving within the revenue budget setting process.

How the Council will Procure its Capital Projects

2.1.23 Section 13 of Appendix 1 advises that the structure of the Council's procurement and strategic relationship management function includes designated Commercial Procurement Managers whose focus it is to support all capital projects and can therefore take advantage of opportunities for greater efficiency by selection of the most effective procurement processes to ensure the best commercial solution.

How the Council will Measure the Performance of the Capital Programme

2.1.24 Section 14 of Appendix 1 highlights the approach to managing the performance of the Capital Programme. It advises that the Councils strong programme management approach is modelled on the PRINCE 2 project management methodology and the Office of Government Commerce (OGC) Gateway Review System. This ensures that investments are planned, managed and delivered prudently. In addition, the CIPB has a remit to review the financial performance of the capital programme and it receives a monthly monitoring report and undertakes a detailed annual review of the capital programme.

The Capital Investment Programme Board

2.1.25 Section 15 of Appendix 1 advises that the CIPB will continue in its role as an Advisory Board chaired by the Deputy Leader and Cabinet Member for Finance and Corporate Resources. The Board is supported by a range of key officers. The CIPB will make recommendations which can be approved under delegated powers as appropriate. Its terms of reference are presented at Annex B to Appendix 1.

Flexible use of Capital Receipts Strategy

2.1.26 The Council is proposing to utilise the flexibility provided by the Ministry of Housing, Communities and Local Government (MHCLG) to use capital receipts to fund the revenue cost of transformation. The 2019/20 revenue budget will rely on up to £3m of such funding from capital receipts. Annex D sets out the required Flexible Use of Capital Receipts Strategy which advises of the summary of planned receipts and summary of planned use and savings.

2.2 Capital Programme 2019/20 to 2023/24

2.2.1 The Council is required to set out its capital programme for the period 2019/20 to 2023/24 based on the principles of the Capital Strategy. As previously advised, an initial timeframe of five years has been adopted. The Capital Programme and Capital Strategy have, at this stage, been influenced by the level of resources considered available. The level of prudential borrowing included reflects the financing available in the revenue budget, capital receipts align with forecasts and grant funding and other contributions are based on already notified allocations or best estimates at time of preparation. If additional resources become available, projects that meet the Council's strategic capital objectives will be brought forward for approval.

2.2.2 Clearly, the capital programme for 2019/20 is influenced by the performance of the capital programme for 2018/19. A review has taken place of planned spending in 2018/19 and the programme has been re-profiled as necessary with future years estimates updated.

Update on the 2018/19 Capital Programme

2.2.3 The 2018/19 month 8 capital monitoring position was approved at the Cabinet meeting of 11 February 2019 and the projections included in that report are key determinant of the 2019/20 programme. As many schemes span more than one year, the anticipated level of reprofiling between years sets the underlying position.

2.2.4 The capital programme for 2018/19 was approved at the Council meeting of 28 February 2018, with expenditure of £89.658m and supporting financing. This was supplemented by re-profiling of £1.342m from the previous year and has subsequently been amended month on month to reflect agreed changes. This includes the actions arising from the findings of the 2018/19 annual review of the capital programme, a comprehensive project by project scrutiny of all schemes in the programme. This was conducted by the CIPB over the summer/autumn months of 2018.

2.2.5 The latest available capital monitoring position for the 2018/19 to 2022/23 Capital Programme at month 8 includes capital expenditure totalling £48.952m for 2018/19 matched with corresponding financing. The People and Place Directorate which manages all of the major regeneration projects, constitutes the main area of expenditure (£31.265m). Prudential Borrowing provides the main source of financing (£26.995m) followed by Grants and Other Contributions (£16.068m).

2.2.6 Actual expenditure to 30 November 2018 was £24.637m (50.33% of forecast outturn). This spending profile is in line with previous years, however the position will be kept under review and budgets will continue to be managed in accordance with forecasts.

2.2.7 The month 8 2018/19 capital spending and financing position is set out in the table below.

Table 1 - Revised 2018/19 Capital Programme

Directorate Expenditure	Capital Programme as at M08 £000
Corporate and Commercial Services	14,174
People and Place	31,265
Health & Adult Social Care Community Services	1,894
Reform	216
Housing Revenue Account	1,097
Funds yet to be Allocated	306
Total Expenditure	**48,952**
Grants and Other Contributions	(16,068)
Prudential Borrowing – General	(26,995)
Revenue (HRA & General Fund)	(96)
Capital Receipts Required	(5,793)
Total Resources	**(48,952)**

2.2.8 The revised capital programme requires the availability of £5.793m of capital receipts in 2018/19 for financing purposes. The total net usable capital receipts currently received in year, inclusive of £8.747m carried forward from 2017/18, is £12.350m.

2.2.9 The capital receipts position as at 30 November 2018 is as follows:

Table 2 - Capital Receipts Position

Capital Receipts Position	£000
Capital Receipts Available	(12,350)
Expenditure to be Funded from Capital Receipts	5,793
Forecast Capital Receipts Carried Forward (including anticipated receipts)	**(6,557)**

2.2.10 The level of Capital Receipts anticipated in 2018/19 is in excess of in year funding requirements and will enable £6.557m of resources to be carried forward to support expenditure in 2019/20.

2.2.11 As referred to at 2.2.4 above, the annual review of the capital programme examined all schemes to give Members confidence that planned expenditure remained relevant and aligned with corporate objectives. The capital programme for 2019/20 (and future years) reflects the results of the review.

2.2.12 It is anticipated that the 2018/19 position will still continue to change as Cabinet reports are approved and with amendments reviewed by the CIPB and approved under delegated authority as a result of the on-going monitoring process.

2.3 Proposed Expenditure for 2019/20 to 2023/24

2.3.1 The table below sets out the summary of the anticipated expenditure and matched financing of £262.198m, which incorporates resources expected to be carried forward from 2018/19. The proposed 2019/20 to 2023/24 programme reflects the 2018/19 month 8 position (summarised previously) together with an enhanced projection of expenditure for 2019/20 to 2023/24 incorporating anticipated spending on new initiatives and an allowance, at funds yet to be allocated for new priorities to be supported. The detailed programme is set out at Annex C of Appendix 1 on a Portfolio basis.

Table 3 - Capital Programme 2019/20 to 2023/24

Proposed Capital Spending	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Corporate and Commercial Services	17,912	8,493	6,719	1,614	249
People and Place	54,403	63,081	70,544	8,897	3,615
Health & Adult Social Care Community Services	2,682	1,400	400	400	400
Reform	100	100	700	200	200
Housing Revenue Account	4,235	1,632	922	800	0
Funds Yet to be Allocated	5,000	3,000	1,500	1,500	1,500
Total Expenditure	**84,332**	**77,706**	**80,785**	**13,411**	**5,964**

Funding	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Grants and Other Contributions	(34,661)	(25,375)	(17,776)	(6,973)	(1,973)
Prudential Borrowing - General	(26,713)	(43,919)	(48,558)	(3,064)	(42)
Revenue (HRA & General Fund)	(3,916)	(4,106)	(5,822)	(800)	0
Capital Receipts	(19,042)	(4,306)	(8,629)	(2,574)	(3,949)
Total Funding	**(84,332)**	**(77,706)**	**(80,785)**	**(13,411)**	**(5,964)**

2.4 Resources Available to Support the Capital Programme

2.4.1 The Government is continuing to provide significant levels of grant funding, after an initial reduction at the start of the austerity period. Some new funding initiatives have been introduced, some of which carry through to 2019/20 and beyond. Grants have been awarded/anticipated for Education, Social Care and Transport projects. The Council has not yet received all grant allocations for 2019/20. The grants will be incorporated into the capital programme when the notifications have been received.

2.4.2 The main source of grant income remains education-related with Basic Need Capital grant funding allocations totalling £20.310m for 2019/20 and £9.819m for 2020/21. The School Condition Allocation grant is anticipated with an indicative allocation of £1.700m for 2019/20, which acknowledges some funding will be lost as more schools convert to academy status. This has been part re-profiled to 2020/21 to reflect the current planned work programme. The resources available to support the programme are described in more detail in the following sections.

Government Grant Funding

2.4.3 The Government resources available to the Council can be split into two categories: un-ringfenced and ringfenced resources, as explained in Section 10 of the Capital Strategy.

2.4.4 Some Government grant resources have been moved between financial years in order to support re-profiled expenditure as detailed in Annex C of Appendix 1.

2.4.5 The resources available can also be split between those which do not have revenue consequences and those that do have revenue consequences and therefore require financing through the revenue budget.

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. Un-ringfenced resources are those that can be utilised to finance any project (albeit there is usually an expectation of use for a specific purpose). The vast majority of capital Government Grant funding is un-ringfenced. Resources classified as ringfenced have to be utilised to finance particular categories of expenditure and therefore are restricted in their use. The 2019/20 capital programme relies on £26.972m of un-ringfenced and £7.689m of ringfenced grants.

2) Capital Receipts

This is income received from the sale of Council assets and is usually un-ringfenced. The 2019/20 programme relies on £19.042m of capital receipts. As highlighted at 2.2.9, £6.557m of which will be carried forward from 2018/19.

In general it should be noted that a prudent approach has been taken in relation to the anticipated level of receipts with no resources assumed in excess of the requirement to support already approved schemes. However, taking advantage of flexibilities around the use of capital receipts introduced by the Government, the Council anticipates using up to £3m of capital receipts in 2019/20 to support transformational projects which would otherwise be financed by revenue resources.

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 programmes which could not otherwise have been funded. The 2019/20 programme relies on £26.713m of prudential borrowing which has been fully financed.

2.4.6 As in previous years, the major source of financing remains prudential borrowing; the amount required in 2019/20 includes borrowing attributed to schemes that have slipped from prior years. The Council will aim to reduce the amount of borrowing and associated financing costs by maximising grant income and capital receipts. Some borrowing, in relation to commercial activities, 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.

2.5 Capital Requirements for 2019/20

Resources Committed in 2019/20 to 2023/24

2.5.1 A review of the capital programme has highlighted that there is already a full range of commitments for the period 2019/20 to 2023/24 and additional funding allocations totalling £53.742 reducing to a net £46.919m as explained below, have been included to support a number of schemes. The table below shows the associated financing:

Table 4 - Additional Resources Included in the Capital Programme 2019/20 to 2023/24

Financing	£000
Prudential Borrowing	(25,212)
Capital Receipts	(18,051)
Revenue Contributions	(4,844)
Grants & Contributions	(5,635)
Total	**(53,742)**

However, due to the revision in contributions to schemes from external funders, the anticipated grant contribution element of the funding has reduced by £6.823m. In overall terms the increase from the 2018/19 projected capital programme is £46.919m.

2.5.2 The capital commitments are set out in the following paragraphs and are shown in detail at Annex C of Appendix 1 of this report. There will be a continued review of capital spending requirements as the Council has further regeneration ambitions. This will however require a further phase of investment and the preparation of a new investment programme.

Corporate and Commercial Services Directorate

2.5.3 Total projected spending on Corporate and Commercial Services projects is £34.987m over the strategy period. A total of £11.377m relates to ICT related schemes and the Investment/Income Generation Opportunities totals £20.610m. The funding for Investment/Income Generation opportunities is intended to enable the Council to take advantage of schemes which provide a sustainable income stream to support the Council's budget from the acquisition or investment in property assets whilst having regard to risk management considerations. Planned Directorate spending is phased as set out below:

Table 5 - Corporate and Commercial Directorate Expenditure over the Capital Strategy 2019/20 to 2023/24

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Information Technology	6,212	1,583	1,719	1,614	249
Investment / Income Generation Opportunities	8,700	6,910	5,000	0	0
Flexible Use of Capital Receipts	3,000	0	0	0	0
TOTAL	**17,912**	**8,493**	**6,719**	**1,614**	**249**

People and Place Directorate

2.5.4 There is planned Directorate expenditure of £200.540m over the period 2019/20 to 2023/34 as shown below:

Table 6 People and Places Directorate Expenditure over the Capital Strategy 2019/20 to 2023/24

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
People and Place Directorate	54,403	63,081	70,544	8,897	3,615

The major areas of expenditure in relation to 2019/20 are as follows:

Table 7 - People and Places Directorate Expenditure 2019/20

Service Area	£000
Corporate Property including Major Repairs/DDA & Schools Condition works	3,381
Neighbourhood Development Fund	97
Other Regeneration Priorities including Environment & Strategic Acquisitions	1,868
Private Sector Housing	2,808
Royton Town Centre Development	1,693
Schools – General	10,435
Schools – Primary	161
Schools – Secondary	12,229
Schools – Special	1,000
Town Centre & Borough-wide Regeneration	7,694
Transport (including Fleet)	13,037
TOTAL	**54,403**

2.5.5 Clearly, the main focus of spending is schools, town centre and borough-wide regeneration. These areas encompass a wide range of high priority schemes as detailed in Annex A of Appendix 1. It is however, possible that some of this spending maybe re-profiled as 2019/20 progresses.

2.5.6 Another significant area of spending is transport, covering a wide range of major highways schemes together with the continuation of the planned £18.000m investment in the carriageway improvement programme approved at Cabinet in November 2017.

Health and Adult Social Care Community Services Directorate

2.5.7 There is planned Directorate expenditure of £5.282m phased over the 5 year programme as set out below:

Table 8 - Health and Adult Social Care Community Services Directorate Expenditure over the Capital Strategy 2019/20 to 2023/24

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Health and Adult Social Care Community Services Directorate	2,682	1,400	400	400	400

This area of spending is focused on Social Care. The major areas of expenditure in relation to 2019/20 are as follows:

- Resources of £0.549m are specifically allocated in 2019/20 to support local Social Care Schemes (including re-phasing of £0.149m from 2018/19).
- Indicative funding of £2.133m relating to the expansion of the Disabled Facilities Grant (including re-phasing of £0.219m from 2018/19).

Housing Revenue Account

2.5.8 Projected spending on Housing Revenue Account projects of £7.589m over the life of the programme is phased as follows:

Table 9 - Housing Revenue Account Expenditure over the Capital Strategy 2019/20 to 2023/24

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Housing Revenue Account	4,235	1,632	922	800	0

The primary focus of this the Supported Housing for adults with a Learning Disability and/or complex behaviour (SHALD), a key element of the Housing Initatives Programme.

Reform Directorate

2.5.9 There is planned Directorate expenditure of £1.300m over the 5 year life of the programme as shown below.

Table 10 Reform Directorate Expenditure over the Capital Strategy 2019/20 to 2023/24

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
District Investment Fund	100	100	700	200	200

- All the spending in the Reform Directorate reflects spending in relation to the District Investment Fund. The majority of spend is expected in the later years of the programme.

2.6 Proposed Capital Programme

2.6.1 Annex C of Appendix 1 of this report details the proposed 2019/20 Capital Programme and the indicative programme for the period 2020/21 to 2023/24. 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. Within the programme, there is currently an unallocated resource of £12.500m as highlighted below:

Table 11 - Funds yet to be allocated Expenditure over the Capital Strategy 2019/20 to 2023/24

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Funds yet to be allocated	5,000	3,000	1,500	1,500	1,500

2.6.2 The use of these unallocated resources will be prioritised by the CIPB including any realignment into future years. It is expected that all of these resources will be used over the life of the programme.

2.6.2 Total expenditure in 2019/20 is planned at £84.332m. However, the position is anticipated to evolve as:

- There may be further Government funding allocations announced prior to the start of 2019/20.
- The outcome of specific grant bids will be announced during 2019/20.
- 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.

2.6.3 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 that Members approve the Capital Strategy and Capital Programme as set out in this report, including priority investment proposals.

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 2019/20 to 2023/24 Capital Strategy and Capital Programme. Consultation also took place with the Overview and Scrutiny Performance and Value for Money Select Committee on 24 January 2019. The Select Committee was content to commend the report to Cabinet for approval. Cabinet duly considered and approved the report at its meeting on 11 February 2019 and commended the report to Council.

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 2019/20 capital programme.

6.2 In overall terms, the planned programme for 2019/20 to 2023/24 totals £262.198m which is fully financed. The revenue consequences of the anticipated prudential borrowing of £122.296m is included within the estimates underpinning the proposed revenue budget and MTFS.

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. 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 unfunded ongoing legal liabilities, potential overspending requiring an unbudgeted allocation of resources and the general risks around the uncertainty over the nature and level of the 2019/20 and future years' capital funding.

10.3 Following the issue of the revised Prudential and Treasury Management codes a section on the risks associated with the Capital Programme must be included within the Capital Strategy document. The risk section can be found in Appendix 1, paragraph 5.13 to 5.21.

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 and Commercial Property Investment Strategy and Fund.

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 FCR-11-18

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:	Lee Walsh
Contact No:	0161 770 6608

20. **Appendices**

20.1 Appendix 1 – Capital Strategy 2019/20 to 2023/24

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Appendix 1

Oldham Council

Capital Strategy
2019/20 to 2023/24

Capital Strategy 2019/20 to 2023/24

Contents

Section	Title
1	Aims of the Capital Strategy and its Links to the Council's Medium Term Property Strategy, Commercial Property Investment Strategy and Fund and Budget Framework
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5	Affordability, Delivery and Risk Associated with the Capital Strategy
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Annex D	Flexible Use of Capital Receipt Strategy

1 Aims of the Capital Strategy and its Links to the Council's Corporate Plan, Medium Term Property Strategy, Commercial Property Investment Strategy and Fund and Budget Framework

1.1 In accordance with good practice, the Council has traditionally prepared a Capital Strategy, the overarching aim of which has been to provide a framework within which the Council's capital investment plans will be delivered. This Capital Strategy for 2019/20 to 2023/24 has been prepared to cover a five year time-frame from 2019/20 to 2023/24 to align with the Medium Term Financial Strategy of which it is an integral part. Recognising that there is some uncertainty, especially in relation to funding in later years, the Strategy therefore focuses on 2019/20 and 2020/21 in detail.

1.2 The Strategy does however include a longer term vision, which also covers the time frame for 10 years from 2024/25 to 2033/34. This takes a forward look at those projects that are likely to run beyond the initial five year strategy and programme period.

1.3 The format of the Capital Strategy has been amended to reflect the Prudential and Treasury Management Codes issued by CIPFA in 2017 which requires Authorities to prepare a capital strategy and include specific information within it. The strategy therefore presents:

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

1.4 The Capital Strategy is therefore prepared to ensure that all Council Members are presented with the overall long-term capital investment policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

1.5 This Capital Strategy, which now incorporates specific information on non-treasury investments, is aligned to, but reported separately from the Treasury Management Strategy Statement. This ensures the separation of commercial investment, usually driven by expenditure on an asset, from the core treasury function which operates under the principles of security, liquidity, yield and an ethical approach.

1.6 Specifically in relation to non-treasury investments, the capital strategy includes, where appropriate:

- The corporate governance arrangements;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution to support the Councils budget;
- The debt related to the activity and the associated interest costs;
- The payback period (Minimum Revenue Provision policy);
- For non-loan type investments, the cost against the current market value;
- The risks associated with each activity.

1.7 A requirement is that the Capital Strategy demonstrates the concept of proportionality between the treasury operations and the non-treasury operations. High-level indicators are referred to in Section 5.

The Council's Corporate Plan

1.8 Capital investment plans are driven by the Council's Corporate Plan. The Corporate Plan is the Council's key strategic document and outlines the Council's contribution to achieving the vision and outcomes detailed in the Oldham Plan, as well as priority areas of focus and delivery aimed at taking forward our vision of a co-operative future where everyone does their bit to create a confident and ambitious borough. All capital investment proposals will therefore be evaluated in accordance with a range of criteria, a key one of which the contribution to the delivery of the aims of the corporate plan.

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

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

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

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

1.10 The Corporate Plan 2015-2020 was refreshed and updated to sharpen its focus and ensure alignment with the Oldham Plan and was approved by Council, alongside the Oldham Plan, in July 2017. Work on the new Corporate Plan for 2020 – 2025 will begin in 2019. The new Corporate Plan will reflect the revised administration priorities, as well as providing stronger links with the Greater Manchester priorities.

1.11 Having regard to the requirement for the demonstration of the delivery of corporate and service priorities, individual scheme proposals will only be included within approved capital spending plans or considered for a resource allocation over the period of the Capital Strategy where this is considered appropriate in the context of the Medium Term Property Strategy and the Commercial Property Investment Strategy.

Medium Term Property Strategy

1.12 In August 2018, the Council adopted a Medium Term Property Strategy (MTPS). This, at a high level, incorporates a detailed Asset Management Plan for every group of assets the Council has. This plan was agreed at Cabinet for the term 2018 to 2022.

1.13 For any organisation such as the Council, with a diverse property portfolio, best practice recommends that the Property Strategy describes the general direction that the organisation's property portfolio will take over the next 5-10 years, the approach to be adopted in getting there and the policies that will be applied to decision making. The Property Strategy presents such a vision and reflects the operational and business strategy of the organisation.

1.14 The MTPS and its implementation will be key to the Council achieving both cost savings and a more efficient use of the corporate estate, which will contribute to the delivery of approved and proposed budget reductions. During 2018/19, the first year of the MTPS, a significant amount of benchmarking and work has taken place to develop relevant and robust financial indicators to ensure that the Strategy is fit for purpose and able to achieve its aims and objectives.

Commercial Property Investment Strategy and Fund

1.15 In December 2017, Cabinet approved the Commercial Property Investment Strategy and Fund (CPIS). This established a fund to facilitate development in a robust, property investment portfolio in order to generate a sustainable future income stream to support the Council's mainstream service delivery. With the revised Prudential Code guidance issued in 2017 and in the context of the Capital Strategy, the CPIS provides the necessary approval to use capital resources to invest in property assets to create a revenue return.

1.16 The Commercial Property Investment Strategy sets out the following:

- The Council's objective to acquire property assets for investment purposes thereby generating a sustainable future income stream to support the Council's mainstream service delivery.
- The role of property acquisition within that objective, recognising the possible risks together with Financial and Legal implications and clarifying the legal power used to operate the Strategy and ensure continued compliance.
- The acquisition process;
- The financial resources available to facilitate the acquisition strategy; and
- The future management of property held specifically for income generation purposes.

1.17 The Council is therefore seeking property investments that produce the highest returns possible, whilst carrying an acceptable level of risk. The main mitigation measures in managing risk is to target investments which are let to nationally recognised, well established and financial sound tenants and on relatively long leases, and having a diversified investment portfolio by sector and geography.

1.18 Although the detailed financing decision will be dealt with on a case by case basis, resources are available in the capital programme for property acquisitions. However, acquisitions will be financed from a combination of:

a) Earmarked Reserve
b) Unallocated capital resources
c) Prudential Borrowing
d) Capital Receipts from the disposal of investment properties managed through the CPIS

1.19 In addition, the 2019/20 to 2023/24 Capital Strategy is influenced by the principles which frame the overarching budget process for 2019/20 and 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:

a) Regenerating the borough, building on the established investment programme, by attracting and securing significant amounts of external investment to supplement Council resources and deliver an enhanced borough-wide regeneration offer.

b) Prioritising the regeneration investment to develop the local economy and to support job creation and the Get Oldham Working initiative.
c) Using the regeneration investment to drive up Gross Value Added (GVA) and increase the yield from business rates, taking advantage of the 100% Business Rates Retention Pilot scheme which commenced across Greater Manchester on 1 April 2017. This is providing additional resources which are being used to support the Council's 2019/20 budget.

1.20 The Council will also:

a) Work with partners as a co-operative and commissioning borough particularly with regard to the integration of health and social care to take advantage of joint investment opportunities, co-location and the release of surplus assets.

b) Instigate further transformational approaches to the 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.

c) Get the basics right, drive improved business performance with more flexible ICT systems and instigate new delivery models with place-based working.

d) Focus on effective service delivery, achieving social value and maximising the impact of the resources invested.

1.21 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.

Working with Partners

1.22 The Council is a key member of and a driving force in the activities of the Oldham Strategic Estates Group (SEG). The Department of Health initially required all Clinical Commissioning Groups (CCG) to establish a SEG within their locality, and whilst the group initially had a 'Health' focus, this has been broadened to encompass a 'One Oldham Estate' approach, closely aligned to the Government's One Public Estate (OPE) principles which in essence seek to maximise the efficient use of the public sector estate by co-location/joint service delivery, releasing surplus land and property to support regeneration, residential development and inward investment. The Oldham SEG has a 'strategic' rather than 'operational' focus, and has developed a Strategic Estates Plan (SEP), identifying development of integrated public sector hubs and mapping existing estate and utilisation as key priorities. The SEP is closely aligned to and supports delivery of Oldham's Locality Plan for Health and Social Care.

1.23 The Strategic Estates Group (SEG) in Oldham is attended by representatives from a wide range of public sector partners, including the Clinical Commissioning Group (CCG), NHS Property Services Ltd (NHSPS), Greater Manchester Police (GMP), North West Ambulance Service (NWAS), North West Fire Service (NWFS), Community Health Partnerships (CHP), Action Oldham, and Pennine Care NHS Foundation Trust. Recognising the strategic focus of the group it has been supplemented in 2018/19 with the formation of the Operational Working Group. The group functions as the 'delivery arm' to ensure that the SEG remains strategic and One Public Estate focused. It reports to the SEG on key work areas, such as the project pipeline and increasing building utilisation.

2 The Principles of the Capital Strategy

2.1 Having regard to the aims of the Capital Strategy in the achievement of corporate objectives and in order to focus capital resources and to gain maximum benefit from their use, the overarching principles of the Capital Strategy are summarised in paragraphs 2.2 to 2.17 and detailed in the rest of the document.

2.2 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 strategies of other GM Authorities and partners.

2.3 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, Priority Areas for Investment.

2.4 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.

2.5 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.

2.6 The CIPB will ensure that the Council can take full advantage of the 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:

a) Transport agenda and transport grant funding.
b) Current pressure on primary and secondary school places in certain areas of Oldham and the lack of capacity in the current school stock and the Education Basic Need Government grant funding allocation to address such issues.
c) Funding of adaptations to homes for the disabled and Disabled Facilities Grant funding.
d) Social Care funding requirements arising from pooled budget arrangements.

Un-ringfenced grants received in support of the above initiatives will be passported in full to these four areas.

2.7 There will be no ringfencing of capital receipts to specific projects, with the exception of those detailed in section 10.3.14.

2.8 The capital strategy will support the implementation of the approved CPIS by the allocation of resources and facilitating the introduction of activities required to promote

the objectives of the strategy which include providing a sustainable income stream to support the Council's revenue budget from the acquisition of property assets.

2.9 For the purposes of preparing the Capital Strategy and Capital Programme for 2019/20, an assumption has been made that all resources that remain unallocated within the 2018/19 programme will be treated as though they are fully-committed and carried forward into 2019/20 as a central pool for reallocation to other projects.

2.10 As well as using traditional funding mechanisms to finance 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.

2.11 Any 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.

2.12 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.

2.13 The development of new or replacement schools will be led by the Education and Skills Funding Agency (ESFA) and such schools will be created as academies. Mindful of its overarching responsibility for the provision of education, where necessary, the Council will support or enhance ESFA projects using its land assets and/or financial resources.

2.14 Given the evolving devolution agenda and the expectation that the Council will work in a collaborative manner with the Greater Manchester Combined Authority (GMCA), Association of Greater Manchester Authorities (AGMA) and NHS partners, bids to the GMCA, the NHS or other organisations which may have a matched-funding requirement will be prioritised. Regard will be had during the appraisal process to ensure that the Council's objectives and capital investment priorities are achieved.

2.15 As the Council moves towards greater integration with Oldham CCG and other NHS partners, the Council will prioritise the allocation of capital resources to support cross sector projects including facilities for joint service provision and the co-location of teams, with any consequent asset rationalisation.

2.16 The Council will seek to make best use of opportunities offered by the Government from a range of policy announcements including the 2018 Autumn Budget. The Budget announced additional transport funding for major local routes and potholes and confirmed that the Housing Revenue Account (HRA) borrowing cap has been removed. Additional money will be allocated to the Housing Infrastructure Fund to try achieve the target of unlocking up to 650,000 new homes nationally.

2.17 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 2019/20 to 2023/24 are set out in Section 3.

3 Priority Areas for Investment

3.1 The priority investment areas identified for the 2019/20 to 2023/24 period are covered below. This section highlights potential priority investment areas for 2019/20 onwards. These will be taken forward subject to the availability of resources and the approval of a full business case.

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

- Corporate Major Repairs /Disability Discrimination Act (DDA) Adaptations/ Legionella / Health and Safety Projects (Corporate Landlord Function)
- School Condition Works
- ICT Strategy
- Social Care
- Environmental Services
- District Investment Fund

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

a) Social Care
b) Better Care Fund (Disabled Facilities Grant)
c) Upgrade to Crematorium Facilities
d) Low Carbon and Energy Efficiency Initiatives
e) School Investment/ Pupil Places Pressures
f) Surplus Sites
g) Working with NHS Partners
h) AGMA investment Fund Loans
i) Town Centre Regeneration
j) Borough-Wide Regeneration
k) Car Parking
l) Housing Initiatives
m) GM Devolution and Related Initiatives
n) Matched Funding For Grant Bids
o) Northern Roots
p) Royton Town Centre Development
q) Transport Capital Programme
r) Fleet Management

The Strategy does however include a longer term vision, a forward look at those projects that are likely to run beyond the five year strategy and programme period or be initiated subsequently. This covers a timeframe for the 10 years from 2024/25 to 2033/34.

3.4 Further details of the capital priorities can be found in Annex A of this Capital Strategy.

4 Supporting Greater Manchester Devolution

4.1 Devolution continues to transfer more powers and responsibilities from Central Government to Greater Manchester. Greater Manchester's local Councils have a history of working together. This record of co-operation, and the creation of the GMCA, helped Greater Manchester lead the way on city-region devolution through the original 2014 Devolution Agreement.

4.2 The agreement gives the region additional powers, and greater accountability through an elected Mayor. In May 2017 Andy Burnham was elected Mayor of Greater Manchester and he chairs a review of the Greater Manchester Strategy. Of the transferred powers,

the most significant in relation to the Council's capital strategy have regard to Housing and Infrastructure.

4.3 Housing is a major policy initiative at both a regional and local level over the next five years. Oldham has a strong pipeline of housing projects and work has been taking place with First Choice Homes Oldham (FCHO) on a number of future funding opportunities that may come available.

4.4 The Council will continue to align the use of its capital resources to support GM initiatives and work with partners accordingly.

5 Affordability, Delivery and Risk Associated with the Capital Strategy

5.1 In compliance with the requirements of the Prudential and Treasury Code, the following paragraphs look at the Council's capital financing and treasury management activity and its contribution to the provision of services along with an overview of how associated risk is managed and the implications for future sustainability looking at Prudence, Affordability and Sustainability.

5.2 The table below shows the Council's current borrowing position and its borrowing need including the Council's Capital Financing Requirement (CFR). The CFR represents total historic outstanding capital expenditure which has not yet been financed from either revenue or capital resources (£525.005m for 2019/20). It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure, which is not immediately financed from cash backed resources, will increase the CFR.

5.3 The Council has a number of on-going Private Finance Initiative arrangements for the delivery of assets and services, presented at Other Long Term Liabilities (OTLT*) in the table below (£246.143m at the start of 2019/20) which has the effect of inflating the CFR. As can be seen, the Councils actual level of borrowing at the start of 2019/20 is expected to be £147.849m

	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
External Debt					
Debt at 1st April	147,849	167,849	200,349	258,849	258,849
Expected change in debt	20,000	32,500	58,500	0	0
Other long-term liabilities	246,143	235,395	224,125	213,263	204,350
Expected change in OLTL*	(10,747)	(11,270)	(10,862)	(8,912)	(10,672)
Actual gross debt at 31 March	**403,245**	**424,474**	**472,112**	**463,199**	**452,528**
The Capital Financing Requirement	**525,005**	**546,418**	**572,162**	**553,278**	**528,861**
Under / (over) borrowing	**121,760**	**121,944**	**100,050**	**90,079**	**76,333**

5.4 The CFR does not increase indefinitely, as the Council makes 'prudent' provision for debt repayment which broadly reduces indebtedness in line with each asset's life and so charges the economic consumption of capital assets as they are used. The approach to making prudent provision is known as the Minimum Revenue Provision (MRP), in other words, making a direct charge to the Councils revenue budget to reflect the cost of repaying the borrowing. The Council's MRP Policy Statement is set out in the Treasury Management Strategy 2019/20.

5.5 It is important to note that the Council has for a number of years been projecting a borrowing requirement but has not needed to undertake any borrowing as there has been reprofiling of the capital programme and cash balances available, thus resulting in the under borrowed position. This under borrowing is expected to prevail in 2019/20 (£121.760m) and continue beyond 2023/24.

5.6 The Prudential Code states that it is the responsibility of the Councils Chief Finance Officer (Director of Finance) to explicitly report on the affordability, delivery and the risks associated with this Strategy. These key elements are set out in the following paragraphs.

Affordability

5.7 Affordability is a key criterion when considering whether a project should be approved for inclusion within the Capital Programme. Before any decisions are made new schemes are underpinned by a business case identifying the expenditure and funding, appraisal of alternative options and the risks and rewards for the approval of the scheme. The Business Case preparation and consideration process is set out fully in Section 11 of this strategy.

5.8 All projects must also have a clearly identified capital funding source with a definite commitment of financial support if external funding, such as an external grant, is to be used. Also there must be an identified source of funding to support any on-going revenue costs associated with the use of a capital asset.

5.9 Where borrowing is to be used, the affordability test is the ability to fund interest costs linked to the borrowing together with the repayment of the borrowing (the MRP charge). This repayment is matched to a prudent asset life and any income streams estimated to fund this asset must be sustainable. The Prudential Code sets out the requirements for the appropriate governance of such borrowing and the Council's processes comply with the requirements of the Code.

Delivery

5.10 The delivery of the individual schemes within the Capital programme is directly linked to the process of approving the capital scheme. Each scheme has a project sponsor and a project manager responsible for the delivery and the subsequent achievement of the scheme objectives.

5.11 Project updates are provided at the monthly meetings of CIPB as well as an overarching update on the Capital Programme. This facilitates the review and challenge to the delivery of projects and any changes to both the timing and value of the programme. In addition an Annual Review of the capital programme is completed each year in accordance with the terms of reference of CIPB. The Annual Review process ensures that all schemes are examined to determine whether they still meet corporate priorities. The review also considers the deliverability and progress of schemes including any reasons for delayed starts or variations to approved budgetary allocations. It also considers rephasing of planned expenditure and identifies any unutilised or underutilised resources which can be reallocated to other projects.

5.12 The Council's senior officers also have the opportunity to review and challenge project and programme delivery via monthly updates on the changes/re-profiling of expenditure.

Risks

5.13 The Council is exposed to a range of risks with regard to the continued affordability and delivery of it's the Capital Programme and CPIS as follows:

- Financial risks related to the investment of the Council's assets, cash flow and market volatility.
- Macroeconomic risks related to the growth or decline of the local economy, interest rates, inflation and the wider national and global economy.
- Credit and counterparty risks related to investments, loans to public and private institutions.
- Operational risks related to operational exposures within its organisation, its counterparties, partners and commercial interests.
- Strategic risks related to key initiatives undertaken by the Council such as areas of organisational change deemed necessary to enable the Council to meet its goals and objectives, significant capital schemes and major purchases and new ventures.
- Reputational risks related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception.
- Environmental and social risks related to the environmental and social impact of the Council's strategy and interests.
- Governance risks related to ensuring that prudence and careful consideration are prominent in the Council's decision-making, augmented by quality independent advice and appropriate checks to ensure that the Council has the correct level of oversight, scrutiny and efficiency.

5.14 Managing the Council's risks is an area of significant focus for senior management and Members, and the Council adopts an integrated view to the management and qualitative assessment of risk. The Council aims to minimise its exposure to unwanted risks through a range of mitigation strategies that are considered with each individual business case or capital project.

5.15 However, it is important to recognise that there are significant risks associated with a large Capital Programme and associated borrowing, but these can be mitigated and indeed are mitigated as business as usual. As advised above the robust capital business plan process, together with adequate project management arrangements and/or project boards are in place and projects are delivered by suitably skilled staff. Appropriate consideration is given to tax planning, cash flow and the operational planning for the use of any asset. Governance is addressed by the establishment of officer/Member working groups with regular and transparent reporting. Due diligence is undertaken on loans and purchases and external advice is sought where necessary.

5.16 There are clear links from the Capital Strategy to the Treasury Management Strategy, prudential indicators, authorised borrowing limits and the revenue budget. These are also subject to review and oversight by Members at CIPB, Audit Committee, Cabinet and Council.

5.17 Members recognise that risk increases with any new borrowing, and are mindful of this when considering funding arrangements. New borrowing will increase the Council's annual level of fixed interest and repayment costs which are already currently forecast to increase in the coming years and could exceed a borrowing liability of £452.528m from 2023/24.

5.18 Investment properties carry a different type and level of risk relating to variations in income streams (tenant non-renewal etc.) and from asset values (impact economic

conditions and retail trends etc.). The Council has established a clear strategy, criteria and a governance process around such investment purchases (as is demonstrated in the CPIS) to minimise the risk. This includes detailed due diligence, second opinion on asset values, site visits, surveys etc.

Concept of Proportionality

5.19 The Council has approval via the CPIS to invest in acquiring property assets for Investment purposes to generate sustainable future income stream to support the Council's mainstream service delivery. At the time of preparing the Strategy the Council had not made any such purchases.

5.20 However, by having a policy to increase its commercial activities, including potentially funding activities by borrowing, the Ministry of Housing, Communities and Local Government (MHCLG) now requires that regard is had to the "concept of proportionality" and the resulting "level of debt and aggregate risk being proportionate to the size of the authority".

5.21 Although the Council has not to date entered into any commercial activity purely for the purpose of income generation, if it had to demonstrate the concept of proportionality it would use the following indicators:

- Contribution Investment Properties make to core functions – these would include net estimated surplus for the year compared to the Net Revenue Budget for purchases only and the estimated rental income of purchases compared to the Net Revenue Budget
- Total Borrowing related to Investment properties – The % of borrowing related to investment purchases as a % of the total borrowing

6 Knowledge and Skills

6.1 The Capital and Treasury Finance Team has responsibility for preparing and on-going management of the capital and treasury management strategies and capital programme. The team is staffed by professionally qualified accountants with extensive Local Government finance experience. Team members attend all relevant training courses, workshops and events to ensure that their knowledge and skills are up to date and the Council is in a position to address all new technical developments. They all follow a Continuous Professional Development Plan (CPD) as part their individual accounting accreditation. The overall responsibility for capital and treasury activities lies with the Council's Section 151 officer who, in accordance with statute, is professionally qualified and is suitably experienced to hold the post.

6.2 The Council provides training to Members on an annual basis, which is delivered by Council officers and external advisors. This ensures Members have a full understanding of key issues and have the appropriate knowledge and skills to make capital and treasury decisions. Members are updated on developments and any issues of significance throughout the year with information presented to the Audit Committee (responsible for Treasury Management), CIPB (responsible for the Capital Programme) and at Cabinet Member briefings.

6.3 The Council uses Link Asset Services, Treasury Solutions as its external Treasury Management advisors. The Council recognises that it is essential to engage with external providers of Treasury Management services in order to acquire access to specialist skills and resources.

6.4 When looking at commercial activity transactions either expenditure included in the capital programme or treasury management investments, officers from relevant professional disciplines from across the Council are involved in conducting due diligence exercises. Alongside the internal teams the Council also uses external advisors to complete the due diligence process. As previously mentioned, the Council has not yet undertaken any significant investment in property assets or entered into any commercial investment transactions, solely for the aim of income generation.

6.5 As approved in the Council's CPIS all purchase of Investment Property will be considered by the Property Appraisal Group comprised of both Members and Officers. In order to act within the timescales required when undertaking commercial negotiations, the group has delegated powers to approve any acquisitions and instruct and appoint appropriate advisors and to close deals. However, there is a clear framework within which the group operates having regard to legislation, the Council's Constitution, policies and procedures and professional body regulations.

7 Treasury Management

7.1 The Council produces a Treasury Management Strategy which is approved by full Council annually as part of the Budget Setting process.

7.2 The Capital Strategy and Treasury Management strategy are closely linked as the capital programme determines the borrowing need of the Council, essentially the long term cash flow planning and ensures that the Council can meet its capital spending obligations. The capital strategy is integral to treasury management activities throughout the year in the management of long term cash that may involve arranging long or short term loans or investing longer term cash flow surpluses. A treasury action is to look for opportunities to restructure any existing borrowing in support of the Councils budget process.

7.3 At the end of the five year Capital Strategy period the Council's debt is forecast to be £452.528m. Included within the Council's CFR under long term liabilities are items such as Private Finance Initiative (PFI) and leasing arrangements. The Council currently has £246.143m of such liabilities in 2019/20 which will reduce to £204.350m by the end of the capital strategy period. The Council's Operational Boundary for 2019/20 is forecast to be £525.000m. The Council's Authorised Borrowing limit will be £545.000m for 2019/20.

7.4 The Council is required to set aside 'prudent' provision for debt repayment where borrowing or credit arrangements have been used to finance capital expenditure. This is known as Minimum Revenue Provision (MRP). Over the Capital strategy period the Council has a MRP provision of £66.428m.

7.5 The Audit Committee is responsible for scrutiny and governance of Treasury Management within the Council. It reviews the Treasury Management policy and procedures and all Treasury Management reports. However the Overview and Scrutiny Performance and Value for Money Select Committee scrutinises the Treasury Management Strategy alongside the full suite of budget prior to their presentation to Cabinet and Council for final approval. As both the Treasury and Capital Strategies are reviewed together, it allows for a joined up scrutiny process.

7.6 Throughout the year the Audit Committee receives regular updates on performance and emerging issues and the Mid-Year Review report which is also reported to full Council. It is also important to note that the Treasury Management function is subject to regular Internal and External Audit reviews.

7.7 Further detail can be found in the Treasury Management Strategy 2019/20.

8 Long Term Loans

8.1 The Council has the ability, should it choose to exercise its powers, to enter into loan arrangements to support delivery of strategic corporate priorities.

8.2 The Council has chosen to make limited use of its ability to enter into loan arrangements, but in such instances, all loans have been and will be approved in line with the Councils Constitution under the Financial Procedure Rules which ensures that they are prudent and secured by:

- A full independent due diligence process
- Ensuring adequate security for the loan is in place
- Continuous monitoring of the loans and undertaking review meetings
- Ensuring the financial exposure of the Council's is proportionate to its size.

8.3 The Council may choose to provide assistance to organisations where they have experienced difficulty in securing funds from other sources at affordable interest rates. In order to deliver corporate priorities, loans to third parties may be offered at an interest rate below the market rate. Where the loan is advanced at less than a market interest rate there is an associated loss of investment return which would otherwise have been earned on these funds. The cost to the Council in this respect would be reflected in the Council's accounts. Any loans to third parties are recognised as investments and detailed within the Annual Investment Report in the Treasury Management Strategy.

9 Commercial Activity

9.1 As previously mentioned the CPIS gives the Council approval to invest in property solely to generate additional income to support the Council's mainstream service delivery. The Council will continue to look for appropriate property investments and, where if required, continue to complete substantial due diligence on all possible investments.

9.2 The Council also has investments in the Charities, Churches and Local Authorities (CCLA) property fund. As advised within the Treasury Management Strategy due to the anticipated fluctuations in price this is an investment with a minimum time horizon of 5 years. The Council currently holds £15m in the property fund and the investment generates a return of approximately 4.5% per annum.

9.3 Following the Brexit decision, in the initial months property funds saw a small decline in the value due mainly to valuer caution rather than any significant increase in pressure to sell properties. In contrast, occupier trends continued to strengthen and the dividends remained constant at approximately 4.5%. This initial decline in value has started to unwind and prices are now at the same levels prior to Brexit.

9.4 Any CCLA or such commercial investments that the Council investigates will only be undertaken after an appropriate due diligence exercise and having regard to the Treasury Management principles of security, liquidity, yield and ethical investments.

9.5 In order to support investment and commercial decisions the Council also relies upon the principles established in the Income Strategy approved at Cabinet September 2017. This sets out the framework for and the objective of the maximisation of new and existing income streams to support service provision.

10 Capital Resources to Support Capital Expenditure

10.1 The Utilisation of Capital Resources

10.1.1 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 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 included in the capital programme is currently £1.300m in the financial years 2019/20 to 2023/24 with the major spend expected in the later years of the programme.

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

10.2 Creation of a Central Pool of Capital Resources

10.2.1 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:

a) Cabinet/Council on the prioritisation of resources for the initial 2019/20 to 2023/24 capital programme

b) The appropriate decision-maker for any subsequent revisions to the capital programme

10.2.2 The Cabinet/Council will make the final decision on the overarching capital programme for 2019/20 to 2023/24 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.

10.2.3 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.

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

a) The statutory fourth Greater Manchester Local Transport Plan (GMLTP4) is a long-term transport strategy for Greater Manchester to 2040 with a five year delivery plan.

b) The current pressure on primary and secondary places in certain areas of Oldham and the lack of capacity in the current stock.

c) The Disabled Facilities Grant (DFG) is to meet the Council's obligation to finance adaptations to the homes of disabled residents and its commitments to wider social care. The Council receives the DFG funding via the Better Care Fund (BCF).

d) Any resources allocated by Central Government after approval of the Council's 2019/20 – 2023/24 Capital Strategy/Capital Programme.

The Council will therefore passport all of the un-ringfenced resources for transport, schools, via the Education Basic Need grant and Disabled Facilities Grant to support spending in the respective areas.

10.2.5 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.

10.3 Methods of funding capital expenditure

10.3.1 There are a range of methods of funding capital expenditure as follows.

a) Government Grants and Non-Government Contributions

10.3.2 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

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

10.3.3 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 11) must be presented to the CIPB for approval. This must justify the bid for external resources and any Council matched funding prior to submission of the bid.

b) Prudential Borrowing

10.3.4 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 and this will be especially important when undertaking property acquisition under the Commercial Property Investment Strategy (CPIS) where, in addition, a revenue income stream is required to support the revenue budget.

10.3.5 Where it is considered that Prudential Borrowing is the appropriate method of funding, but it requires additional revenue financing, the cost will be reflected in the revenue budget planning process.

10.3.6 Since 2012 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 is reflected in reduced Treasury Management borrowing costs in relation to any PWLB borrowing undertaken. It has been confirmed that the Council has qualified for the certainty rate for the period 1 November 2018 to 31 October 2019.

10.3.7 In the Autumn Budget 2017 the Government confirmed that it will lend Local Authorities in England up to £1 billion at a new discounted interest rate of gilts + 60 basis points to help incentivise Local Authorities to construct infrastructure that otherwise would not be considered to be affordable. There has already been one bidding round with a provisional allocation of £500m. The second bidding round commenced on 1 January 2019 and will run to 31 March 2019. There may be an opportunity for the Council to bid in this round. There is a maximum of £100 million of Local Infrastructure Rate borrowing per any one applicant.

c) Capital Receipts

10.3.8 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''.

10.3.9 Section 9 (2) of the Act 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''.

10.3.10 Capital receipts are usually restricted to use for:

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

10.3.11 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 since the transfer of the housing stock to First Choice Homes Oldham (FCHO).

Value Added Tax (VAT) Shelter

10.3.12 As part of the Housing Stock transfer that took place in February 2011 a Value Added Tax (VAT) shelter agreement was entered into with FCHO. This allows 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. FCHO retained all the benefits in the first four years and the savings thereafter have been split 50:50 with the Council, although the first £6.000m was top sliced to deal with outstanding FCHO asbestos liabilities.

10.3.13 FCHO has provided indicative notification of the release of resources from the VAT shelter for 2019/20 and this is being used to support the capital receipt requirement underpinning the capital programme.

Ringfencing of Capital Receipts

10.3.14 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 only areas where the Council ringfences capital receipts is in respect of:

i) The Equity Home Loan Initiative

ii) Saddleworth School as part of the Priority Schools Build Programme

iii) Recycling of capital receipts to support the sustainability of the Commercial Property Investment Strategy and Fund.

iv) The Flexible Use of Capital Receipts Strategy – in 2019/20 the first £3m of unfettered receipts will be used to support the revenue budget via the financing of transformational projects.

Flexible Use of Capital Receipts

10.3.15 As part of the Local Government Finance Settlement (LGFS) in March 2016, the Secretary of State for Housing, Communities and Local Government provided Local Authorities with the opportunity to use capital receipts to fund the revenue costs of transformation. This flexibility was then extended to 2021/22 as part of the 2018/19 LGFS. The Council intends to use up to £3m of capital receipts to fund elements of Oldham's transformational agenda in line with the Directive guidance and therefore in 2019/20 the first £3m of unfettered receipts will be used to support the revenue budget via the financing of transformational projects.

10.3.16 The flexible use of capital receipts is designed to offset the revenue cost of transformational projects which are expected to deliver future ongoing revenue savings for either the Council or other public sector delivery partners.

10.3.17 In order to take advantage of the change of use to capital receipts, the Council must act in accordance with the statutory guidance issued by the Secretary of State. This guidance requires the Council to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy. The Council's Flexible Use of Capital Receipts Strategy is included in Annex D.

Availability of Capital Receipts

10.3.18 In considering the 2019/20 capital programme, and given the position with regard to capital receipts, a prudent approach has been taken with capital receipts assumed in accordance with an anticipated timeline for asset disposal. However as advised above, the Council anticipates using up to £3m under the Flexible Use of Receipts of Capital Receipts Strategy in 2019/20 to support transformational projects.

10.3.19 The level of receipts upon which the programme relies to fund existing and new commitments has in the past been affected by the property market which has impacted on the:

i) Ability of the Council to sell assets within the timescale anticipated.

ii) Level of receipt actually generated, which has sometimes been less than originally expected. However, recent years has seen some improvement with receipts matching or exceeding expectations.

10.3.20 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. This is being carefully managed to ensure that the Council receives the best sales price possible. The Council has specific staffing resources to manage the phased disposal of former schools sites, residual Housing Market Renewal sites and other strategic regeneration sites.

10.3.21 The availability of sites for sale could potentially be reduced if there is earmarking of key plots for inclusion in any future Joint Venture opportunity for or any regeneration project throughout the Borough. Again, this position will be carefully managed in the context of the overall financial position of the Council.

10.3.22 Monitoring of capital receipts is undertaken through an officer sub-group that reports to the CIPB and the Corporate Property Board (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.

d) Revenue Contributions

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

e) Use of Leasing

10.3.24 Some of the assets used by the Council are financed by a lease arrangement, for example vehicles. With the advent of Prudential Borrowing leasing has become 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.

f) Section 106 Agreements

10.3.25 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:

i) Provision of affordable housing.

ii) Improvement to community facilities - Public open space/play areas, educational facilities.

iii) Improved transport facilities - contributions have previously been used towards Oldham bus station, park and ride and provision of cycle lanes.

iv) Public art.

v) Renewable energy measures.

vi) Specific measures to mitigate impact on a local area - parking restrictions, landscaping or noise insulation.

The use of any Capital Section 106 funding will be presented to the CIPB for review.

g) Community Infrastructure Levy

10.3.26 The Community Infrastructure Levy (CIL) is a planning charge based on legislation that came into force on 6 April 2010. When adopted, a CIL allows the Council to raise contributions from new developments 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.

10.3.27 The Council commissioned a Viability Study that 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.

10.3.28 The PDCS and the Economic Viability Study were issued for 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.

10.3.29 The CIL Addendum Report was completed in September 2015 and the Council considered the impact of the proposed CIL charges on key future development in the borough. However, no firm decision was reached on whether to adopt CIL and its implementation was overtaken by the need to progress the Greater Manchester Spatial Framework (GMSF) and Council's Local Plan. There are no plans to progress the CIL at this time but this position will be reviewed as work progresses on the GMSF and Local Plan throughout 2019.

h) Private Finance Initiative (PFI)

10.3.30 This 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.

10.3.31 As part of the Autumn Budget 2018 the Government announced that there will no longer be the use of PFI for major investments and a new centre of excellence will be established to manage existing deals "in the taxpayer's interest". The Government emphasised its commitment to maintaining current commitments on PFI contracts. As a result no new PFI projects or similar initiatives are anticipated within the strategy period.

Any such proposals would be presented to the CIPB for evaluation before presentation for Members' approval.

i) Local Capital Finance Company (formerly UK Municipal Bonds Agency Plc)

10.3.32 The Local Government Association (LGA) has now set up the Local Capital Finance Company (formerly known as the UK Municipal Bonds Agency) 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 Company. The Council will keep under review the availability and cost of funds from the Company as an alternative source of finance with a view to borrowing at an appropriate time if terms are preferential.

11. Capital Investment and Disposal Appraisal

11.1 Capital Investment

11.1.1 All capital investment will be commissioned on the recommendation of the Capital Investment Programme Board (CIPB) which will enable any expenditure and it's 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.

11.1.2 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.

11.1.3 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.

11.1.4 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:

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.
b. 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.
c. Risk assessment and that appropriate actions to negate these risks have been identified.
d. Full exit strategy where the project involves a disposal.
e. Method of procurement that represents value for money.

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

a. Strategic Business Cases (SBC) outlining the initial idea or 'concept' for a project.

b. Outline Business Cases (OBC) which will focus on links to the Corporate Plan and outcomes.

c. 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:

i) Project description
ii) Consultation
iii) Expenditure and funding including whole life costs and revenue implications
iv) Outputs
v) Option Appraisal
vi) Value for Money
vii) Delivery
viii) Risk Management
ix) Sustainability, Forward strategy and evaluation
x) Asset Management
xi) Procurement
xii) Equality Impact Assessment
xiii) Environmental Impact Assessment
xiv) Contribution to the achievement of corporate initiatives including Get Oldham Working

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

Gateway Review System

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

a. 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.
b. Promoting project assurance through the application of a structured project management system.
c. Informing the governance process.

11.1.8 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.

11.1.9 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.

11.1.10 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.

11.2 Service Challenge & Review, Efficient Use of Assets

11.2.1 In light of 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.

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

a. The core office estate
b. The operational asset base used for district based service delivery
c. Land

11.2.3 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. Significant capital receipts were also realised by asset disposal.

11.2.4 Opportunities have recently been identified to further streamline the Council's core office accommodation, working collaboratively with other public sector partners, to exploit collective town centre property ownerships to maximise benefits from regeneration, inward investment and improve efficiency in operating costs. Options are currently being explored and external funding being sought via the Government's One Public Estate (OPE) Programme to support feasibility work. This links into the work undertaken by the Strategic Estates Group (SEG).

11.2.5 With regard to the review of operational district assets, the Property Team and services continue to work closely alongside wider public and third sector partners to ensure that portfolios are best fit for purpose and efficient usage is maximised. Work with NHS partners is being accelerated to support the integrated working agenda.

11.2.6 Disposal of land and property assets is being progressed with alignment to corporate objectives and incorporated into the asset rationalisation programme.

11.2.7 The planned review of the Council's existing investment portfolio will be accelerated as part of proposals to further streamline the Council's Asset Estate, in line with required capital receipts targets and proposed revenue savings.

11.2.8 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 Protocols are regularly updated to reflect Statutory, Administrative and Organisational changes.

11.2.9 The Corporate Property Board oversees acquisition and disposal of land and property assets and monitors the progress of the asset rationalisation programme and performance of the investment portfolio.

12 How the Capital Requirements Will Be Prioritised

12.1 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):

12.2 The criteria examine whether the proposal is:

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

12.3 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.

13 How the Council Will Procure its Capital Projects

13.1 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.

13.2 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.

13.3 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.

13.4 Efficiency gains via procurement will be achieved by:

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

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

14.1 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.

14.2 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.

14.3 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.

14.4 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.

14.5 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.

14.6 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.

15 The Capital Investment Programme Board

15.1 The Capital Investment Programme Board (CIPB) is an Advisory Board and is chaired by the Deputy Leader and Cabinet Member for Finance and Corporate Resources. The lead Chief Officer for CIPB is the Deputy Chief Executive People and Place. The Leader of the Council has a standing invitation to all meetings. The Board is supported by the Director of Finance, the Director of Economy, the Director of Education and Early Years and the External Funding Manager. The Board has Terms of Reference and detailed reporting performance processes which are included at Annex B.

15.2 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.

Priority Areas for Investment

The priority investment areas identified for the 2019/20 to 2023/24 period covered by this Capital Strategy document are set out below, along with information about longer term projects which are emerging through the vision for the borough.

The breakdown of funding by project area is shown across the current programme to 2023/24 at Annex C. The narrative supporting the programme is set out below together with information about projects which the Council plans to take forward in the following 10 years from 2024/25 to 2033/34.

1 Continuation Funding

There are requirements for continued annual funding of existing programmes of work across the current 5 year programme and beyond, these are summarised as follows:

a) Corporate Major Repairs /Disability Discrimination Act (DDA) Adaptations/ Legionella / Health and Safety Projects (Corporate Landlord Function)

Spending in this area 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.

b) 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 1 condition issues as well as other preventative works prior to arrival at priority 1 status.

c) ICT Strategy

The strategy has been formulated through a pipeline which addresses delivering a customer focused service; digital by design, harnessing the power of data, strengthening governance and capability and integration of information to be an agile and efficient Council.

d) Social Care

This resource will provide additional support for disabled adaptations, transformational schemes to further health and social care integration, and wider social care initiatives.

e) Environmental Services

To support the purchase of environmental machinery.

f) District Investment Fund

The District Investment Fund (DIF) was created in 2011 and is a 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 currently includes £1.300m in the financial years 2019/20 to 2023/24 with the major spend expected in year 2021/22.

An annual base budget allocation of £2.449m has been included in the capital programme to fund these continuation projects in 2019/20, which incorporates £1.500m per year to cover Corporate Major Repairs, DDA Adaptations, Legionella, Health and Safety Projects (Corporate Landlord Function) and also school condition works. In 2019/20 this has been supplemented with carried forward resources. Funding for social care is provided at a value of £0.400m per annum in addition to the funding received through the Better Care Fund. Resources of £0.249m have also been allocated to ICT, £0.200m to the District Investment Fund per year together with £0.100m for the purchase of environmental machinery.

2 New Projects

New emerging projects for which funding may be required and for which funds could be allocated are set out in the following paragraphs. Each of these projects would need to be progressed by the submission of detailed and fully costed business cases demonstrating how they achieve corporate priorities. Projects have been categorised based on current information over a delivery timeframe focussed on;

- those that will be initiated and delivered in the 5 years of this strategy period (2019/20 to 2023/24) and
- those which will progress from 2024/25 to 2033/34 (a further 10 year timeline).

It is probable that due to rephasing some projects will move from the first to the second delivery period.

Projects to be Delivered in Years 0-5 (2019/20 to 2023/24)

a) Social Care

Mindful that the Council has extensive responsibilities to deliver an adequate standard of social care, and the increasing level of joint working with National Health Service partners, the Council will continue to consider the utilisation of available Government resources and any local funding to address identified needs or opportunities to facilitate enhanced service provision and support income generation. An allocation of £0.400m is available for such investment.

b) Better Care Fund (Disabled Facilities Grants)

The demand for major property adaptations to premises continues to rise, particularly because of the increase in numbers of elderly clients, also of very disabled children where medical advances have seen improvements in life expectancy and the increased requests to adaptations to FCHO properties.

For 2018/19, the Better Care Fund (BCF) capital allocation in the form of Disabled Facilities Grant (DFG) was £1.914m, the grant was un-ringfenced but, given the Council's obligation to undertake adaptations, the strategy of the Council is to passport the full grant allocation for the intended purpose; to support housing adaptations. Where 2018/19 resources have not been utilised, they will be carried forward into 2019/20 (estimated at £1.250m). At present, there is no notification of funding allocations for 2019/20. There is however an anticipation that it will be of a similar amount and any funding received will be allocated using the same principles as were applied in 2018/19.

c) Upgrade to Crematorium Facilities

Significant investment will be required to the plant and equipment at the crematorium to ensure continuity of service and efficient use of the facilities. This is funded initially from the income receipts from services users but as a capital scheme, it is then incorporated into the capital programme. Depending on when the investment will be required this may fall in to the 6-15 year timeframe.

d) 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 Official Journal of the European Union (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.

e) School Investment / Pupil Place Pressures

There continues to be pressure on primary and secondary places within areas of Oldham, with little capacity at a number of schools as the school population continues to increase. 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.

There are a number of school extensions in progress such as Crompton House, Greenfield Primary and Oasis. There are also opportunities to utilise funding from the Department of Education (DfE) for new schools with an academy partner. Schemes of this nature require the Council to release land for the school to be built upon. In such instances the Council will dispose of land without recompense via a land swap or other such appropriate land transaction. The Council may also deem it appropriate to allocate its own resources to support schemes as it sees fit.

On 17 December 2018, the Secretary of State for Education announced funding of £100m nationally to top up the Special Provision Capital Fund in 2019/20. This is for investment in new places and improved facilities in Special Educational Needs units, resourced provision in mainstream schools, special schools or other facilities used for pupils and students with Education Health and Care plans. The Councils funding allocation has yet to be announced but it will be utilised to the maximum benefit to support high needs educational provision. Schools specific investment in 2019/20 is anticipated at £23.825m.

f) 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 Strategy 2019/24 includes an allocation of £0.500m to support this enabling work. The capital programme is reliant on the income generated from these sales in the form of capital receipts.

g) Working with NHS Partners

Work continues on the integration agenda with NHS partners and other related stakeholders. The focus is predominantly based around co-located, integrated team working within five identified neighbourhood clusters and centrally. Capital investment opportunities will increasingly be considered and evaluated to optimise benefits and outcomes for the economy as a whole rather than being specific to one organisation.

h) Association of Greater Manchester Authorities (AGMA) GM Investment Fund 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.

i) Town Centre Regeneration

The Council is continuing to make a considerable investment in the town centre with plans which span over a number of years. The long term vision for the town centre is still being developed and is likely to include the strategic acquisition of properties. However, plans for the Oldham Museum of Arts / Archives (OMA) have been approved and progressed and the scheme has received significant external grant support. The Market Hall will see a transformation within the 2019/24 capital programme in support of the vision for the Town Centre and the changing retail market within the UK. The development / refurbishment of other Town Centre heritage assets and the regeneration of the Cultural Quarter will complement the investment in both these projects as well as the flagship Old Town Hall. The Council is also still committed to have a theatre / performance space within the Town Centre and plans will be developed over the life of the capital strategy period.

j) Borough-Wide Regeneration

The Council is investing in borough-wide regeneration initially through initiatives through housing and employment sites at Broadway Green and Hollinwood and further development phases of both sites are expected to come online over the next five years. The Council will take advantage of suitable investment opportunities throughout Oldham in order to advance its regeneration objective.

Town Centre and Borough-Wide Regeneration is planned at £79.288m over the life of the capital programme.

k) Car Parking

There is a requirement to invest in town centre car parking along with changes to borough wide parking initiatives to ensure residents have adequate parking in the correct zones. As the Town Centre vision progresses parking and the need for pedestrian areas will be designed and developed.

l) Housing Initiatives

Work is currently on-going to deliver on the Council's Housing Strategy in respect of the private sector. Recent initiatives launched by the Council have sought to increase the Council's engagement in the private sector, with a focus on driving up standards in neighbourhoods and increasing housing supply in the private rented sector.

The following schemes are to be financed from the Housing Revenue Account:

Developing our Extra Care offer

A rolling programme of capital works has been identified to make best effect of the transformational change in service delivery. Examples of projects to be taken forward are the development of a re-ablement offer and continuation of the installation and improvement of landscaping, sensory and outside garden spaces at Tandle View Court, Trinity House and Old Mill House.

Retrofit of a fire suppressant systems to Stockfield Mount and Landsdowne Court high rise blocks of flats.

In light of the events of the Grenfell Tower disaster the spotlight has been placed upon any high-rise accommodation and the safety of high rise blocks and the Council tenants who dwell therein. The refurbishment of the blocks did not include any external cladding nor were any additional fire suppression systems fitted yet future proofing to ensure safety is required.

Supported Housing for Adults with Complex Learning Disabilities (SHALD)

The development of new build accommodation for adults with learning difficulties and complex behaviours is in train, supported by grant funding from Homes England and the NHS. The scheme is due for completion in summer 2019.

Town Centre Affordable Housing

A key element of the vision for the Town Centre is the development of new affordable housing. External funding from Homes England has been secured to progress schemes.

Developing temporary accommodation to meet homelessness demands.

There has been a significant spike in the number of homeless households who need help and support. To address this, a range of sustainable options are being considered including the purchasing of a building which could accommodate 18 self-contained flats, and a long term lease on a building which could accommodate 25 units of mixed accommodation (Self-contained and shared). Pursuing these types of long-term arrangements would not only address a definite need but also support the revenue budget by reducing the high levels of reactive costs such as bed & breakfast accommodation charges.

Developing our response pilots in the private rented sector

The Council has launched a pilot empty homes intervention project to work with owners of empty homes to bring their properties back into use through one of the two options available from the Council. A combination of HRA funding and Homes England Grant funding have enabled the development of a Purchase & Repair and Lease & Repair options; designed to financially support landlords in bringing their properties back into use.

It is envisaged that this scheme will be widened post the pilot phase. This accommodation will be used to prevent homelessness by offering suitable, long term accommodation for people. This accommodation will also assist with the

‘move-on’ options from those households in temporary accommodation by providing a suitable, longer term, settled abode.

m) Greater Manchester Devolution and Related Initiatives

Development 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.

n) 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.

o) Northern Roots

This new scheme is part of a long term vision to develop Snipe Clough in the east of the borough to an agri-park. This would incorporate a wide range of initiatives and include growing hubs, recreation areas, contribute to social prescribing and boost tourism. The first phase of this development is the refurbishment of the existing depot at Alexandra Park.

p) Royton Town Centre Development

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 of £3.193m has been included in the capital programme for schemes in Royton, spread across the financial years 2019/20 and 2020/21. The first development in Royton is the refurbishment of the Town Hall and Library. This will make better use of the current buildings and incorporate both Council and commercial activities.

q) Transport Capital Programme

The Council secures capital funding for investment in the highway network from a number of different sources, including Central Government which allocates funding largely through the Greater Manchester Transport Strategy and Local Transport Plan (LTP). The majority of this funding sits in the transport capital programme, except where it forms an integral part of a regeneration project and therefore sits within the Regeneration Capital Programme, such as the Growth Deal 2 grant of £0.800m in 2019/20, which will support delivery of the highway infrastructure for the Albert Street development at Hollinwood.

The Local Transport Plan is a statutory document prepared by Transport for Greater Manchester (TfGM) and Greater Manchester's ten local Councils on behalf of the GMCA and the Greater Manchester Local Enterprise Partnership. The current Local Transport Plan includes a long-term GM 2040 Transport Strategy to improve transport across the city region and a five-year delivery plan based on committed resources which is updated annually. The Council has adopted the principle that all un-ringfenced grants secured through the GM Local Transport Plan be passported for investment in the highway network.

The Council prepares a transport capital programme to cover a three year time-frame for the resources allocated through the LTP, with the current programme covering the period 2018/19 - 2020/21. A list of reserve schemes is also approved which sits alongside the 3-year LTP programme. These are updated annually.

Key elements of the transport capital programme include:

- A £6.000m investment of Devolved Growth Deal funding through the Growth Deal 3 Oldham Town Centre Regeneration and Connectivity scheme with a spend deadline of March 2021;
- An annual programme of minor LTP funded works that includes highway maintenance, bridges and structures, road safety, traffic management and cycling and walking schemes, which is dependent on GMCA distributing the LTP resource in line with the indicative Local Authority allocations calculated by the Department for Transport; and
- A £12.000m Highway Improvement Programme that the Council is funding with Prudential Borrowing to improve the condition of the network over the period 2019/20 – 2021/22 (in addition to the £6.000m included in the 2018/19 programme).

Additional grant is anticipated from some sources, these include the Department for Transport's Safer Roads Fund award for the A670 Oldham – Tameside (£0.762m for 2019/20) and the GM Mayor's Cycling and Walking Challenge Fund. Securing additional grant funding for investment in the transport network and to support the regeneration of the borough is a Council priority. Potential bidding opportunities that may arise, and may or may not require a financial contribution, include:

- The Department for Transport's Highway Maintenance Challenge Fund;
- The GM Mayor's Cycling and Walking Challenge Fund; and
- Environment Agency (EA) Flood Management Programme (Grant in Aid and Local Levy Fund).

r) Fleet Management

Oldham Council introduced the existing Fleet Replacement Programme in 2012/13 as per the strategy approved at the Cabinet meeting on 6 February 2012. The objective was to gradually replace leased and hired vehicles with purchased vehicles that would have a useful economical life ranging from 3 to 7 years. This objective has now been achieved apart from the short term hire of a small number of vehicles. Since then the Fleet Management Service has carried out this policy whenever a vehicle is due to be replaced.

The financial year 2018/19 is the final year of this seven year programme. A request to extend the programme by five years, covering 2019/20 to 2023/24, will be considered at the Cabinet meeting on 25 February 2019. The funding programme being sought includes the acquisition of 89 vehicles at a cost of £5.570m. The first tranche of purchases will be the replacement in 2019/20 of 18 refuse collection vehicles at a cost of £3.186m. All such spending is included in the capital programme financed by prudential borrowing, with annual repayments being made from within existing revenue resources.

Projects to be delivered over a further 10 years (2024/25 to 2033/34)

The Council has a longer term vision for capital spending outside the initial 5 year timeframe. The schemes below have an implementation period of between 6 to 15 years covering the period 2024/25 to 2033/34. The majority of schemes are the longer term development of projects already within the initial 0 to 5 year timeline, but each will move through different phases with different objectives and expected outcomes.

a) Town Centre Vision

Sites at Princes Gate are being redesigned to align with the development of the market and to align with the wider vision. The extent of capital funding required by the Council is currently uncertain and will need to be kept under review. 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.

b) Borough-Wide Regeneration

The Council is currently investing in borough-wide regeneration initiatives through housing and employment sites at Broadway Green and Hollinwood, and again, as the position evolves, there may be a requirement for increased investment in new or existing projects including strategic acquisitions.

c) 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.

d) Northern Roots

As outlined earlier, this scheme is a long term vision to develop Snipe Clough in the east of the borough to an agri-park. It will be delivered in phases over an expected 10 year programme.

e) Housing

The Council is currently updating the Local Housing Strategy (LHS) which will be the major strategic visioning document that will provide a robust housing strategy and identification of priority areas required to meet the overall housing needs of the borough. Once the strategy is finalised new business cases to take forward specific initiatives will be developed over an expected 5 year plus programme.

Annex B

Capital Investment Programme Board

1 Terms of Reference

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

a) To develop the overall Capital Strategy and annual programme in accordance with the priorities set out in the Council's corporate plan.

b) The recommendation of the overall Capital Strategy and programme to Cabinet and Council.

c) Once the overall Strategy and annual programme of expenditure have been approved at Council:

i) The consideration and recommendation of approval of the detail of the thematic programmes (e.g. Highways Capital Programme).

ii) The consideration and recommendation of approval of any amendments to the annual programme.

iii) The recommendation of approval of any new capital projects.

iv) The detailed appraisal of projects, taking into consideration the Council's Capital Strategy, priorities and annual aims and objectives.

v) The review of potential commercial risk and Value for Money issues on any proposal for the use of capital.

vi) To provide a forum for establishing and providing robust challenge and debate around the capital programme.

vii) To undertake a detailed annual review of the capital programme.

viii) 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.

ix) The monitoring of the performance of projects and programmes within the Council's capital programme.

1.2 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.

1.3 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.

2 Membership

2.1 The Chair of the CIPB is the Deputy Leader and Cabinet Member for Finance and Corporate Resources. The Leader of the Council has 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 Deputy Chief Executive, People and Places.

Officers in attendance at CIPB are:

a) The Director of Economy
b) The Director of Finance
c) Senior Members of the Finance Team.
d) Director of Education and Early Years
e) External Funding Manager.
f) Representatives from Legal Services, Human Resources, Procurement and Information Technology as required.

2.2 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.

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

3 Reporting and Performance Process

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

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

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

a) Discussing and recommending actions in relation to capital issues
b) Developing the Capital Strategy,
c) Developing the capital programme for the year ahead
d) Considering and approving business cases
e) Monitoring performance of individual capital projects and the whole capital programme
f) Reviewing the availability of capital resources and reprioritisation of resources as required

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

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

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

3.6 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.

3.7 Pooled and locally ring-fenced 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 12 of the Strategy.

3.8 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.

3.9 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.

4 Decision Making

4.1 In relation to the approved capital programme, CIPB will make recommendations regarding the approval of business cases and virements both within and between approved programme areas. In all such cases, the decision maker is the Deputy Leader and Cabinet Member for Finance and Corporate Resources, in consultation with the Deputy Chief Executive, People and Place and the Director of Finance.

5 Decision Recording

5.1 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

6 Governance

6.1 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.

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

6.2 The Council has agreed that prudential borrowing provision is not necessary for capital expenditure incurred in lieu of capital receipts. Any such schemes will be classified by the CIPB as ‘Borrowing in Lieu of Capital Receipts’. CIPB will also determine which capital receipts will be used to finance the scheme and as the receipts are achieved they will be applied to repay the debt.

7 CIPB Sub-groups

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

Current sub-groups are:

a) Major Projects and Joint Ventures Programme Board
b) Corporate Property Board
c) Schools Capital Programme Board
d) ICT Programme Board
e) Transport Programme Board
f) Residential Development Board

The core officer membership for each sub-group comprises:

a) The relevant Director for specific Boards as Chair; e.g. the Director of Education & Skills chairs the Schools Capital Programme Board.
b) The Director of Legal Services
c) The Director of Finance

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

a) Manage external funding at a strategic level.
b) Identify potential grants and additional sources of funding.
c) Manage the process for applying the funding and approve all bids for funding.
d) Monitor on-going compliance with grant terms and conditions and assess any financial risk including grant claw back.
e) Provide a Regeneration Plan/framework that can enable the Council to proactively react to funding opportunities as they arise.
f) 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.
g) Ensure there are sufficient personnel to enable the Council to proactively react to funding opportunities as they arise.

Annex C

Capital Programme 2019/20 to 2023/24

Expenditure	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Corporate and Commercial Services	**17,912**	**8,493**	**6,719**	**1,614**	**249**
Information Technology	6,212	1,583	1,719	1,614	249
Investment / Income Generation Opportunities	8,700	6,910	5,000	-	-
Flexible Use of Capital Receipts	3,000	-	-	-	-
People and Place	**54,403**	**63,081**	**70,544**	**8,897**	**3,615**
Corporate Property	3,381	2,963	1,500	1,500	1,500
Environment	100	900	100	100	100
Neighbourhood Development Fund	97	-	-	-	-
Other Regeneration Priorities	668	4,522	5163	22	-
Private Sector Housing	2,808	2,947	-	-	-
Royton Town Centre Development	1,693	1,500	-	-	-
Schools - General	10,435	3,555	9,868	5000	-
Schools - Primary	161	-	-	-	-
Schools - Secondary	12,229	8,507	2,000	-	-
Schools - Special	1,000	-	-	-	-
Strategic Acquisitions	1,100	1,000	-	-	-
Town Centre & Boroughwide Regeneration	7,694	25,696	45,898	-	-
Transport including Fleet	13,037	11,491	6,015	2,275	2,015
Health & Adult Social Care Community Services	**2,682**	**1,400**	**400**	**400**	**400**
Social Care	549	400	400	400	400
Disabled Facilities Grant	2,133	1,000	-	-	-
Housing Revenue Account	**4,235**	**1,632**	**922**	**800**	**-**
Housing Revenue Account	4,235	1,632	922	800	-
Reform	**100**	**100**	**700**	**200**	**200**
District Investment Fund	100	100	700	200	200
Capital General	**5,000**	**3,000**	**1,500**	**1,500**	**1,500**
Funds yet to be allocated	5,000	3,000	1,500	1,500	1,500
Budget Expenditure Total	**84,332**	**77,706**	**80,785**	**13,411**	**5,964**

Resources Available	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Ringfenced Grants	**(7,689)**	**(10,403)**	**-**	**-**	**-**
2016-21 Shared Ownership and Affordable Homes Programme (SOAHP)	(386)	(1,250)	-	-	-
Devolved Formula Capital (DFC)	(673)	-	-	-	-
Grant in Aid	(283)	-	-	-	-
Growth Deal 3	(1,180)	(4,499)	-	-	-
Heritage Lottery	(1,500)	(1,540)	-	-	-
Housing Infrastructure Fund - (HCA)	(2,000)	(2,947)	-	-	-
Local Growth and Reform 2 Grant	(1,500)	-	-	-	-
Special Provision Fund - Pupils with Special Educational Needs (SEN) And Disabilities 2018-2021	(167)	(167)	-	-	-
Un-ringfenced Grants	**(26,972)**	**(14,972)**	**(13,841)**	**(6,973)**	**(1,973)**
Basic Need Capital Grant	(20,310)	(9,819)	(11,868)	(5,000)	-
Better Care Fund (Disabled Facilities Grant) 2018/19	(1,219)	-	-	-	-
Better Care Fund (Disabled Facilities Grant) 2019/20	(914)	(1,000)	-	-	-
Capital Maintenance Grant	-	(880)	-	-	-
School Condition Allocation	(1,300)	(1,300)	-	-	-
Local Transport Programme Grant	(80)	-	-	-	-
Local Transport Programme - Highway Maintenance Grant	(3,149)	(1,973)	(1,973)	(1,973)	(1,973)
Other resources – Capital Receipts	**(19,042)**	**(4,306)**	**(8,629)**	**(2,574)**	**(3,949)**
Agreed Council Resources	(16,042)	(4,306)	(8,629)	(2,574)	(3,949)
Flexible Use of Capital Receipts	(3,000)	-	-	-	-
Other resources - Other	**(67)**	**(73)**	**(3,935)**	**-**	**-**
Contribution from 3rd Parties	-	-	(3,935)	-	-
Revenue Contribution to Capital Outlay (RCCO) B/Fwd	(67)	(73)	-	-	-
Other resources - Prudential Borrowing	**(26,713)**	**(43,919)**	**(48,558)**	**(3,064)**	**(42)**
Prudential Borrowing	(26,713)	(43,919)	(48,558)	(3,064)	(42)
Revenue Contribution - Housing Revenue Account (HRA)	**(3,849)**	**(4,033)**	**(5,822)**	**(800)**	**-**
Revenue Contribution to Capital Outlay - HRA	(3,849)	(4,033)	(5,822)	(800)	-
Resources Total	**(84,332)**	**(77,706)**	**(80,785)**	**(13,411)**	**(5,964)**

Annex D

Flexible Use of Capital Receipts Strategy

Introduction

In March 2016, the Secretary of State for Housing, Communities and Local Government issued Statutory Guidance that permitted Local Authorities to use capital receipts to fund the revenue costs of transformation for the period 1 April 2016 to 31 March 2019. This flexibility was then extended to 31 March 2022 as part of the 2018/19 Local Government Finance Settlement (LGFS).

Statutory Guidance

The Statutory Guidance and supporting 'informal commentary' published in March 2016 states that Qualifying Expenditure is "expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual Local Authorities to decide whether or not a project qualifies for the flexibility".

Examples of Qualifying Expenditure

The MHCLG has indicated types of qualifying expenditure:

- Sharing back office and administrative services with one or more other Council or public sector bodies.
- Investment in service reform feasibility work e.g. setting up pilot schemes.
- Collaboration between Local Authorities and Central Government departments to free up land for economic use.
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation.
- Sharing Chief Executives, management teams or staffing structures.
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible.
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations.
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training.
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (e.g. through selling services to others).
- Integrating public facing services across two or more public sector bodies (for example Children's Social Care, trading standards) to generate savings or to transform service delivery.

The Council has used these definitions to determine qualifying expenditure in the context of Oldham Council as highlighted in Table 1.

The Council's Strategy

The Council intends to make use of this flexibility for the three financial years covering the period 1 April 2019 to 31 March 2022.

The Council can only use capital receipts to finance Qualifying Expenditure as defined in this strategy (see above) from the disposal of property, plant and equipment assets received in the year in which this flexibility is offered. The Council will not utilise capital receipts generated on or before 31 March 2019 to finance Qualifying Expenditure.

The direction states that the Council cannot borrow to finance the revenue costs of service reform and the Council will comply with this requirement.

This Strategy outlines the projects which plan to make use of the capital receipt flexibility and provides details of the expected savings/service transformation on a scheme by scheme basis. The Strategy can be replaced at any point during the financial year with a revised Strategy outlining an up to date position.

Council approval for the use of this flexibility is required on at least an annual basis, with plans published on the Council's website and notification of planned use sent to the Ministry of Housing, Communities and Local Government (MHCLG).

Summary of planned receipts

The Council's Capital Strategy and Capital Programme 2019/20 to 2023/24 anticipates that new capital receipts in 2019/20 of £4.558m will be generated to support the Capital Programme. In addition £3.000m has been added to the capital strategy, increasing the capital receipt requirement for 2019/20 to £7.558m – bringing the total capital receipts requirement for 2019/20 to £19.042m. The first call on new capital receipts received in 2019/20 will fund qualifying revenue expenditure as detailed within the Flexible Use of Capital Receipts Strategy.

Summary of planned use and savings

It is intended that capital receipts of £3.000m above will fund the following transformational projects/expenditure as set out in Table 1 (note there is a small element of contingency to allow for variation).

Table 1 – Planned qualifying expenditure

Scheme Description	Qualifying Expenditure	£000 2019/20
Children's transformation - operating model and structural resourcing plan	Funding the cost of service reconfiguration, restructuring and redesign to drive to on-going efficiency, improving working practices including the use of new technology, delivering service transformation and cost savings as evidenced in Table 2.	845
Phase 2 Integration of the Community Provider – to bring together services to work as part of an effective and efficient group, focused on the person at the centre of service delivery	Investment in service reform and collaborative working arrangements as a means to deliver financial and operational efficiencies and an improved customer experience.	51
Joint Commissioning across Oldham Council and Oldham CCG to create efficiencies, streamline provision and improve contract monitoring	Sharing of commissioning expertise, facilities and technology together with Oldham CCG to drive economies and efficiencies.	206
Delivery of the community enablement programme which will focus on new ways of delivering intermediate care, reablement services and related community based services	Funding the cost of service reconfiguration, restructuring and redesign leading to on-going efficiency savings and service transformation in tandem with an enhanced customer experience.	300
Local Asset Review to deliver rationalisation of the Council's estate as part of the Medium Term Property Strategy	The rationalisation of the Councils office accommodation (and other corporate property assets) to maximise efficiencies and to drive forward integrated working across the public sector, building on the principles of the One Public Estate. Anticipated savings are evidenced at Table 2.	150
Digital by Design - Redesigning the operating model of services to enable a transformation from a mainly mediated customer service offer to a predominately self-service one	Driving a digital approach to the delivery of more efficient public services by improving the Council's digital offer to the people of Oldham. Anticipated savings are evidenced at Table 2.	105
Digital approach - using specialist ICT skills to transform services and develop digital solutions to enable transformation	Driving a digital approach to the delivery of more efficient public services by improving the Council's digital offer to the people of Oldham and the systems technology underpinning the delivery of Council Services. Anticipated savings are evidenced at Table 2.	369

Scheme Description	Qualifying Expenditure	£000 2019/20
The engagement of external transformational skills and expertise – dedicated resources to develop and implement service transformation	Professional service advice, support and guidance leading to service reconfiguration, restructuring and transformation underpinning a range of work streams.	225
Programme Management Office – internal Council support to the facilitation of the organisation's transformational projects	Professional service advice, support and guidance leading to service reconfiguration, restructuring and transformation underpinning a range of work streams.	192
Professional services supporting the delivery of the organisation's range of transformational projects	Professional service advice, support and guidance leading to service reconfiguration, restructuring and transformation across a range of service areas.	620
Total		**3,063**
Contingency for variation		**(63)**
Flexible Use of Capital Receipts Relied on to support the revenue budget		**3,000**

The current forecast of revenue savings are set out in table 2. This is an initial view and will be developed further as the projects are taken forward through the delivery stages.

Table 2 – Forecast revenue savings generated

Scheme Description	£'000 2019/20	£'000 2020/21	£'000 2021/22
Transformation of the Children's services operating model	0	(1,660)	0
Property Savings and Accommodation Review	(500)	(2,000)	(2,000)
Digital by Design	(500)	(1,500)	0
Total	**(1,000)**	**(5,160)**	**(2,000)**

Forecast service transformation

The Revenue Budget for 2019/20 includes significant investment in Children's and Social Care services. The justification for this investment is the delivery of long term efficiencies and improved service delivery as shown in Table 2.

Alongside the financial savings that are forecast to be generated, the investment of capital receipts into the support and delivery of the Oldham Locality Plan with health partners will enable significant service transformation that will benefit residents across the borough as a whole.

The introduction of a joint commissioning function and a redesigned community enablement programme are key strands in delivering the Health and Social Care devolution agenda in Oldham as set out in the Locality Plan; the joint Council and Oldham Clinical Commissioning Group (CCG) vision for the greatest and fastest possible transformation and improvement in the health and wellbeing of our residents by 2021. This improvement will be achieved by supporting people to be more in control of their lives by having a health and social care system that is geared towards wellbeing and the prevention of ill health; access to health services at home and in the community; and social care that works with health and voluntary services to support people to look after themselves and each other therefore transforming the relationship between the population and the health and social care providers within the system.

The Local Asset Review and digital by design initiatives are key elements in the delivery of significant savings for the Council in the Medium Term as referenced in the Council's MTFS. Both underpin the movement of the Council to a leaner and more customer focused organisation.

Impact on Prudential Indicators

The prudential indicators that will be impacted by this strategy are set out below:

- Estimates of Capital Expenditure Indicator increased by £3.000m.
- Capital Financing Requirement increased by £3.000m as these capital receipts were intended to support schemes within the existing programme that will now be financed through prudential borrowing.
- Financing costs as a percentage (%) of net revenue stream 12.88%.

The Prudential Indicators show that this Strategy is affordable and will not impact on the Council's operational and authorised borrowing limits. Further details on the Council's Prudential Indicators can be found within the Treasury Management Strategy.

Monitoring

This Strategy will be monitored throughout the financial year and may be updated and replaced as proposals are developed and expenditure incurred.

Report to Council

Treasury Management Strategy Statement 2019/20

Including the Minimum Revenue Provision Policy Statement, Annual Investment Strategy and Prudential Indicators

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

Officer Contact: Anne Ryans, Director of Finance

Report Author: Lee Walsh, Finance Manager

Ext. 6608

27 February 2019

Reason for Decision

To present to Council, the strategy for 2019/20 Treasury Management activities including the Minimum Revenue Provision Policy Statement, the Annual Investment Strategy and Prudential Indicators together with linkages to the Capital Strategy.

Executive Summary

The report outlines the Treasury Management Strategy for 2019/20 including the Minimum Revenue Provision Policy Statement, Annual Investment Strategy and Prudential Indicators together with linkages to the Capital Strategy.

The Strategy for 2019/20 covers two main areas:

Capital Issues:

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

Treasury Management Issues:

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

The report therefore outlines the implications and key factors in relation to each of the above Capital and Treasury Management issues and makes recommendations with regard to the Treasury Management Strategy for 2019/20.

The proposed Treasury Management Strategy was presented for scrutiny to the Overview and Scrutiny Performance and Value for Money Select Committee on 24 January 2019. The Select Committee was content to commend the report to Cabinet. It should be noted that the report was subsequently updated to reflect revised Capital Expenditure projections and associated Prudential Indicators prior to presentation to Cabinet. Cabinet duly considered and approved the report at its meeting on 11 February 2019 and commended the report to Council.

Recommendation

That Council approves the:

1. Capital Expenditure Estimates as per paragraph 2.1.2;
2. MRP policy and method of calculation as per Appendix 1;
3. Capital Financing Requirement (CFR) Projections as per paragraph 2.2.4;
4. Projected treasury position as at 31/03/2019 as per paragraph 2.3.4;
5. Treasury Limits as per section 2.4;
6. Borrowing Strategy for 2019/20 as per section 2.6;
7. Annual Investment Strategy as per section 2.10 including risk management and the creditworthiness policy at section 2.11; and
8. Level of investment in specified and non-specified investments detailed at Appendix 5.

Treasury Management Strategy Statement 2019/20 including the 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 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

1.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

1.5 Treasury management is defined as:

"The management of the local authority's borrowing, 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. "

Source: CIPFA Treasury Management in the Public Service's Code of Practice.

1.6 Revised reporting is required for the 2019/20 reporting cycle due to revisions of the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The Council has traditionally prepared a Capital Strategy in line with good practice, however additional disclosures have been added for 2019/20 to ensure it is compliant with all the revised guidance and aligns fully with the issues outlined in the Treasury Management Strategy.

1.7 Reporting Requirements – Capital Strategy

1.7.1 The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019/20, all Local Authorities to prepare an additional report, a capital strategy report, which will provide the following:

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

1.7.2 The Capital Strategy is therefore prepared to ensure that all Council Members are presented with the overall long term capital investment policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

1.7.3 This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments, usually driven by expenditure on an asset. Specifically in relation to non-treasury investments, the capital strategy includes, where appropriate:

- The corporate governance arrangements;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution to support the Councils budget;
- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value; and
- The risks associated with each activity.

1.7.4 Where a physical asset is being bought, details of market research, advisers used (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

1.7.5 Should the Council borrow to fund any non-treasury investment, there will be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to (note, to date there has been no such borrowing).

1.7.6 If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the Capital Strategy (again, to date there have been no such losses).

1.7.7 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

1.8 Treasury Management reporting

1.8.1 The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. Prudential and treasury indicators and treasury strategy (this report)

The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);

- a Minimum Revenue Provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised), including treasury indicators; and
- an Investment Strategy, (the parameters on how investments are to be managed).

b. A mid-year treasury management report

This is primarily a progress report and will update Members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. An annual treasury report

This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.8.2 The above reports are required to be adequately scrutinised before being recommended to the Council. The Overview and Scrutiny Performance and Value for Money (PVFM) Select Committee scrutinises the Treasury Management Strategy Statement report together with all the other reports which are presented to the annual Budget Council meeting. The Audit Committee, the body charged with the detailed scrutiny of Treasury Management activities, will also consider this report and the mid-year and annual review reports.

1.9 Treasury Management Strategy for 2019/20

1.9.1 The strategy for 2019/20 covers two main areas:

1.9.2 Capital issues:
- the capital expenditure plans and the associated prudential indicators; and
- the Minimum Revenue Provision (MRP) policy statement.

1.9.3 Treasury management issues:
- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy regarding the use of external service providers.

1.9.4 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1.10 Training

1.10.1 The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. Training was provided to Cabinet Members and Senior Council Officers on 22 October 2018. The Audit Committee receive

regular updates regarding any issues that affect Treasury Management. Further training will be arranged as required.

1.10.2 The training needs of treasury management officers are periodically reviewed. The team is staffed by professionally qualified accountants with extensive Local Government finance experience. Team members attend all relevant training courses, workshops and events to ensure that their knowledge and skills are up to date and the Council is in a position to address all new technical developments. They all follow a Continuous Professional Development Plan (CPD) as part their individual accounting body accreditation. The overall responsibility for capital and treasury activities lies with the Council's Section 151 officer who, in accordance with statute, is professionally qualified and is suitably experienced to hold the post.

1.11 Treasury Management Consultants

1.11.1 The Council uses Link Asset Services, Treasury solutions as its external treasury management advisors.

1.11.2 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 the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

1.11.3 It also recognises 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.

1.11.4 Commercial type investments will require specialist advice that Link Asset Services do not provide. Prior to any commercial investments being made external advice will be sought and due diligence will be undertaken.

2 Capital Plans & Prudential Indicators 2019/20 – 2021/22

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 this current year 2018/19 and estimates for the next three year period, the timeframe required by CIPFA's guidance.

Capital Expenditure Estimates

2.1.2 This first Prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Council is asked to consider the capital expenditure forecasts included the table below:

Table 1 - Capital Expenditure Estimates

Capital Expenditure	2017/18 Actual £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
Corporate and Commercial Services *	1,463	14,174	9,212	1,583	1,719
Health and Wellbeing	1,493	0	0	0	0
Health & Adult Social Care					
Community Services	0	1,894	2,682	1,400	400
Economy, Skills and Neighbourhoods	22,058	0	0	0	0
People & Place	0	31,265	54,403	63,081	70,544
Reform	0	216	100	100	700
Funds yet to be allocated	0	306	5,000	3,000	1,500
General Fund Services	**25,014**	**47,855**	**71,397**	**69,164**	**74,863**
Housing Revenue Account (HRA)	789	1,097	4,235	1,632	922
HRA	**789**	**1,097**	**4,235**	**1,632**	**922**
Commercial Activities / Non-Financial Investments **	0	0	8,700	6,910	5,000
Commercial Activities / Non-Financial Investments	**0**	**0**	**8,700**	**6,910**	**5,000**
Total	**25,803**	**48,952**	**84,332**	**77,706**	**80,785**

* Excludes commercial activities which are included in the Corporate and Commercial Services capital programme

** Relate to areas such as capital expenditure on investment properties, loans to third parties etc.

2.1.3 The capital expenditure shown above excludes other long term liabilities, such as Private Finance Initiative (PFI) and leasing arrangements which already include borrowing instruments. It should be noted that any 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 by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

2.1.5 The borrowing need for capital expenditure in 2019/20 is currently expected to be £26.713m. This will however change if there is a revision to the spending profile of the capital programme.

2.1.6 As at the present time, the Council has not invested in any property purchases solely for the generation of additional income. To date the Council's property acquisitions have been undertaken for the regeneration of the borough with income generation a secondary consideration. The commercial activities/non-financial investment in table 1 above from 2019/20 relates to current estimated spend in the capital programme.

Table 2 - Funding of the Capital Programme

Capital Expenditure	2017/18 Actual £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £'000
General Fund Services	25,014	47,855	71,397	69,164	74,863
HRA	789	1,097	4,235	1,632	922
Commercial Activities	0	0	8,700	6,910	5,000
Total	**25,803**	**48,952**	**84,332**	**77,706**	**80,785**
Financed by:					
Capital receipts	(6,780)	(5,793)	(19,042)	(4,306)	(8,629)
Capital grants	(10,821)	(16,068)	(34,661)	(25,375)	(17,776)
Revenue	(7,458)	(8)	(67)	(73)	0
HRA Resources	(744)	(88)	(3,849)	(4,033)	(5,822)
Net financing need for the year	**0**	**26,995**	**26,713**	**43,919**	**48,558**

2.1.7 All other prudential indicators included within this report are based on the above capital estimates.

2.2 <u>The Council's Borrowing Need - the Capital Financing Requirement (CFR)</u>

2.2.1 The second Prudential Indicator is the Council's CFR. The CFR represents total historic outstanding capital expenditure which has not yet been financed 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 financed from cash backed resources, will increase the CFR.

2.2.2 The CFR does not increase indefinitely, as the Council makes 'prudent' provision for debt repayment which broadly reduces indebtedness in line with each asset's life and so charges the economic consumption of capital assets as they are used. The approach to making prudent provision is set out in the MRP Policy Statement at Appendix 1.

2.2.3 The MRP policy for 2019/20 has not been amended since its inclusion in Appendix 1 in the 2018/19 Treasury Management Strategy report approved at Council on 28 February 2018.

2.2.4 The CFR includes other long term liabilities (e.g. Private Finance Initiative (PFI) schemes, finance leases etc.). Whilst these arrangements increase the CFR, and therefore the Council's borrowing requirement, such schemes also include a 'loan' facility meaning the Council is not required to make separate borrowing arrangements. The Council currently has a net figure of £235.396m of such schemes within the CFR for 2019/20, decreasing to £213.263m in 2021/22.

Table 3 - Capital Financing Requirement (CFR)

Capital Financing Requirement (CFR)	2017/18 Actual £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
CFR - Services	505,049	519,540	520,005	536,418	562,162
CFR - Commercial Activities	0	0	5,000	10,000	10,000
Total CFR	**505,049**	**519,540**	**525,005**	**546,418**	**572,162**
Movement in CFR	**(16,741)**	**14,491**	**5,465**	**21,413**	**25,744**
Movement in CFR represented by:					
Net financing need for the year	**0**	**26,995**	**26,713**	**43,919**	**48,558**
PFI Additions	379	0	0	0	0
Less MRP/VRP and other financing movements	(17,120)	(12,504)	(21,248)	(22,506)	(22,814)
Movement in CFR	**(16,741)**	**14,491**	**5,465**	**21,413**	**25,744**

2.3 Borrowing

2.3.1 The capital expenditure plans set out in section 2.1 to a large extent drive the borrowing estimates included in this report. 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 and the Council's capital strategy. 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 Borrowing Portfolio Position

2.3.2 The overall treasury management portfolio as at 31 March 2018 and for the position as at February 2019 are shown below for both borrowing and investments:

Table 4 - Current Treasury Position

Treasury Investments	Actual 31/03/2018 £000	Actual 31/03/2018 %	Current February 2019 £000	Current February 2019 %
Banks	20,000	27.16%	21,000	24.30%
Building Societies Rated	0	0.00%	0	0.00%
Local Authorities	25,000	33.94%	26,000	30.09%
Public Bodies	0	0.00%	0	0.00%
Money Market Funds	13,650	18.53%	24,420	28.26%
Total Managed in House	**58,650**	**79.63%**	**71,420**	**82.64%**
Property Funds	15,000	20.37%	15,000	17.36%
Total Managed Externally	**15,000**	**20.37%**	**15,000**	**17.36%**
Total Treasury Investments	**73,650**	**100.00%**	**86,420**	**100.00%**
Treasury External Borrowing				
PWLB	15,482	10.47%	15,482	10.47%
LOBO'S	85,500	57.83%	85,500	57.83%
Market	46,601	31.52%	46,601	31.52%
Temporary other	268	0.18%	266	0.18%
Total Treasury External Borrowing	**147,851**	**100.00%**	**147,849**	**100.00%**
Net Treasury Investments / (Borrowing)	**(74,201)**		**(61,429)**	

2.3.3 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, the Treasury Management operations against the underlying capital borrowing need, the CFR, highlighting any over or under borrowing.

2.3.4 Table 5 shows the forecast position of gross borrowing as at 31 March 2019 at £393.992m and an under borrowed position of £125.548m. Council is asked to note the expected year end position.

Table 5 – Current and Forecast Treasury Portfolio

	2017/18 Actual £000	Forecast position as at 31/03/19 £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
External Debt					
Debt at 1st April	147,866	147,851	147,849	167,849	200,349
Expected change in debt	(15)	(2)	20,000	32,500	58,500
Other long-term liabilities	263,947	256,115	246,143	235,395	224,125
Expected change in OLTL*	(7,832)	(9,972)	(10,747)	(11,270)	(10,862)
Actual gross debt at 31 March	**403,966**	**393,992**	**403,245**	**424,474**	**472,112**
The Capital Financing Requirement	**505,049**	**519,540**	**525,005**	**546,418**	**572,162**
Under / (over) borrowing	**101,083**	**125,548**	**121,760**	**121,944**	**100,050**

* Other Long Term Liabilities

2.3.5 Table 5 above shows the Council will need to undertake significant additional borrowing in future years if capital programme expenditure matches the anticipated spending profile. The borrowing requirement is a key driver of the borrowing strategy as set out in section 2.6 below. However, the Council has yet to draw down additional borrowing and the timing of the borrowing is being closely monitored. Members will recall that capital spending plans have been re-profiled year on year and it is possible that the trend could be repeated in 2019/20.

2.3.6 Included within the figures above is the level of debt relating to commercial activities / non-financial investment and this is shown separately in Table 6 below. This is a new requirement and shows a minimal impact to date on debt of potential investments in commercial activities.

Table 6 - Commercial Activities Debt

	2017/18 Actual £000	Forecast position as at 31/03/19 £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
External Debt for commercial activities / non-financial investments	0	0	3,700	10,610	15,610
Actual Debt at 31 March	147,851	147,849	167,849	200,349	258,849
Percentage of total external debt	**0.00%**	**0.00%**	**2.20%**	**5.30%**	**6.03%**

2.3.7 There are a number of key Prudential Indicators to ensure that the Council operates its activities within well-defined limits. The Council must ensure that 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 2019/20 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 or speculative purposes. It is clear from Table 5 above that the Council's gross borrowing position remains within these limits.

2.3.8 The Council has complied with this Prudential Indicator in the current year and does not envisage any difficulties with compliance in the future. This view takes into account current commitments, existing plans, and the proposals set out in this report.

2.4 Treasury Limits for 2019/20 to 2021/22

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

Operational Boundary

2.4.2 The forecast operational boundary for 2018/19 together with the proposed operational boundaries for 2019/20 to 2021/22 are set out in Table 7 below. The boundary reflects the maximum anticipated level of external debt which is not expected to be exceeded. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on levels of actual debt and the ability to fund under-borrowing by other cash resources. 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	2018/19 Forecast £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
Borrowing	280,000	285,000	312,000	345,000
Other long term liabilities	245,000	235,000	225,000	215,000
Commercial activities / non-financial investments	0	5,000	10,000	15,000
Total	**525,000**	**525,000**	**547,000**	**575,000**

Authorised Limit

2.4.3 A further key Prudential Indicator, the Authorised Limit, controls the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit may only be determined by the full Council. It reflects the level of external debt which, while not desirable, is affordable 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.

2.4.4 Council is asked to approve on the proposed Operational Boundary for each financial year from 2018/19 to 2021/22 as set out in Table 7 above and Authorised Limit as set out in Table 8 below:

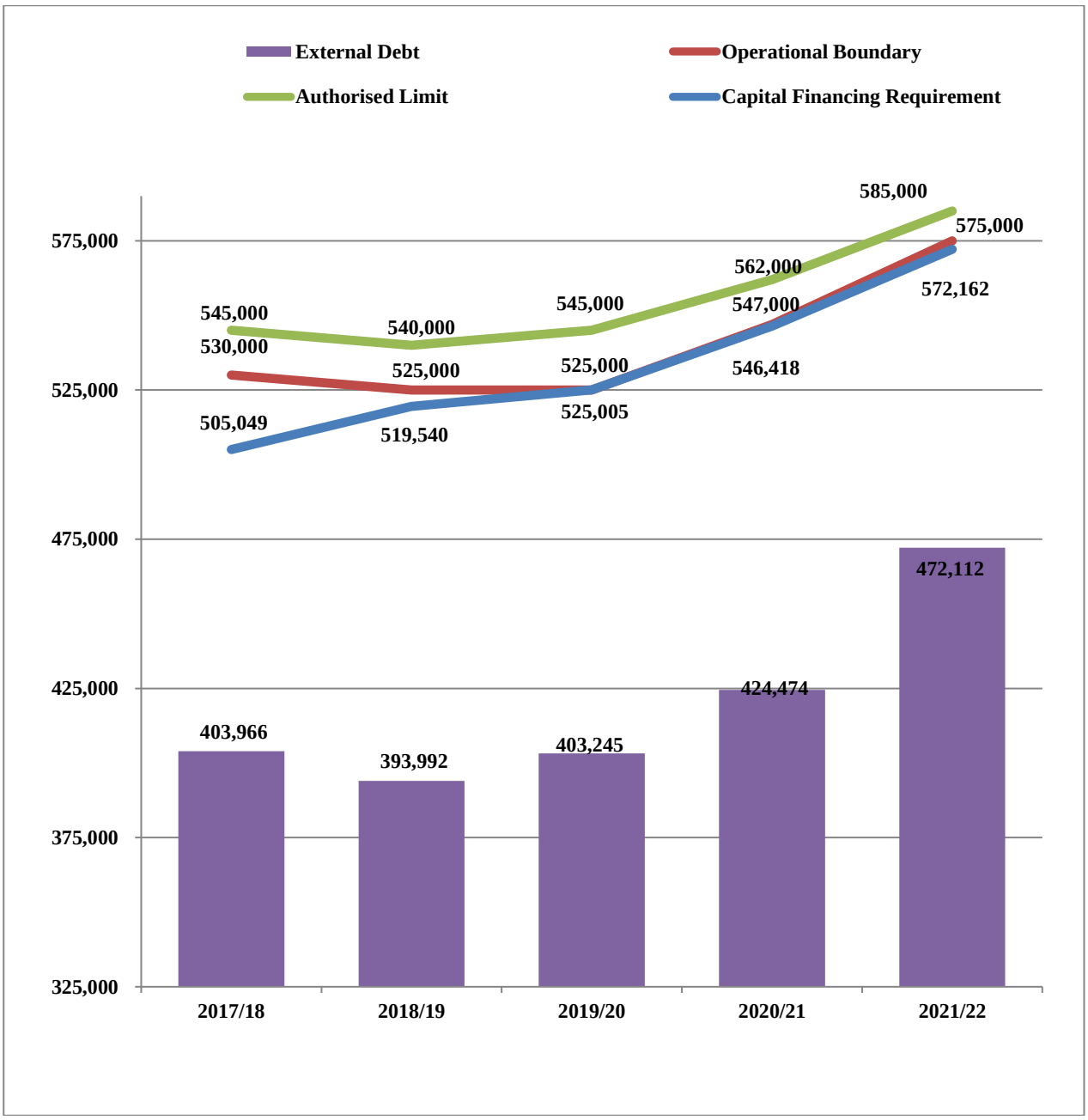
Table 8 - Authorised Limit

Authorised Limit	2018/19 Forecast £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
Borrowing	290,000	290,000	317,000	350,000
Other long term liabilities	250,000	240,000	230,000	220,000
Commercial activities / non-financial investments	0	15,000	15,000	15,000
Total	**540,000**	**545,000**	**562,000**	**585,000**

2.4.5 The table and graphs below disclose how the two indicators above, the Operational Boundary and the Authorised Limit compare to actual external debt and the CFR.

Table 9 Estimate Capital Financing Requirement

Capital Financing Requirement (CFR) including PFI and finance leases	Actual 2017/18 £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
General Fund CFR	505.0	520.0	520.0	536.0	562.0
Commercial activity / non-financial investments	0.0	0.0	5.0	10.0	10.0
Total CFR	**505.0**	**519.5**	**525.0**	**546.4**	**572.2**
External Borrowing	147.9	147.8	167.8	200.3	258.8
Other long term liabilities	256.1	246.1	235.4	224.1	213.3
Total Debt	**404.0**	**394.0**	**403.2**	**424.5**	**472.1**
Operational Boundary	530.0	525.0	525.0	547.0	575.0
Authorised Limit	545.0	540.0	545.0	562.0	585.0



2.5 Prospects for Interest Rate

2.5.1 The Council has appointed Link Asset Services as its Treasury Adviser and part of its service is to assist the Council to formulate a view on interest rates. The table below gives Link Asset Services central view of interest rates from March 2019 to March 2022.

Table 10 - Interest Rate Forecast

Timeline	Bank Rate	PWLB Borrowing Rates %			
	%	5 year	10 year	25 year	50 year
March 2019	0.75	1.80	2.20	2.70	2.50
June 2019	0.75	1.90	2.30	2.80	2.60
September 2019	1.00	2.00	2.40	2.90	2.70
December 2019	1.00	2.10	2.50	3.00	2.80
March 2020	1.00	2.20	2.60	3.10	2.90
June 2020	1.25	2.30	2.60	3.20	3.00
September 2020	1.25	2.30	2.70	3.20	3.00
December 2020	1.25	2.40	2.80	3.30	3.10
March 2021	1.50	2.50	2.90	3.40	3.20
June 2021	1.50	2.50	2.90	3.40	3.20
September 2021	1.75	2.60	3.00	3.50	3.30
December 2021	1.75	2.60	3.00	3.50	3.30
March 2022	2.00	2.70	3.00	3.60	3.40

2.5.2 2018 was a year which started with weak growth of only 0.1% in quarter 1. However, quarter 2 rebounded to 0.4% in quarter 2 followed by quarter 3 being exceptionally strong at +0.6%. Quarter 4 though, was depressed by the cumulative weight of Brexit uncertainty and came in at only +0.2%. Growth is likely to continue being weak until the Brexit uncertainty clears.

2.5.3 The above forecasts are based on a major assumption that Parliament and the EU agree an orderly Brexit, either by 29 March or soon after. At their 7 February meeting, the Monetary Policy Committee (MPC) repeated their well-worn phrase that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary of contractionary), than before the crash; indeed they have given a figure for this of around 2.5% in ten years' time but have declined to give a medium term forecast. However, with so much uncertainty around Brexit, the next move could be up or down, even if there was a disorderly Brexit.

2.5.4 While it would be expected that Bank Rate could be cut if there was a significant fall in Gross Domestic Product (GDP) growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, they could also raise Bank Rate in the same scenario if there was a boost to inflation from increases in import prices, devaluation of sterling, and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor could provide fiscal stimulus to boost growth.

2.5.5 The overall longer run future trend is for gilt yields, and consequently Public Works Loan Board (PWLB) rates, to rise, albeit gently. However, over about the last 25 years, there has been a period of falling bond yields as inflation subsided to, and then stabilised at, much lower levels than before, and supported by central banks implementing substantial quantitative easing purchases of Government and other debt after the financial crash of 2008.

2.5.6 Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns and purchased riskier assets. In 2016, there was the start of a reversal of this trend with a sharp rise in bond yields after the US Presidential election in November 2016, with yields then rising further as a result of the big increase in the US Government deficit aimed at stimulating even stronger economic growth.

2.5.7 That policy change also created concerns around a significant rise in inflationary pressures in an economy which was already running at remarkably low levels of unemployment. Unsurprisingly, the US Federal Reserve (Fed) has continued on its series of robust responses to combat its perception of rising inflationary pressures by repeatedly increasing the Fed rate to reach 2.25 – 2.50% in December 2018.

2.5.8 It has also continued its policy of not fully reinvesting proceeds from bonds that it holds as a result of quantitative easing, when they mature. US 10 year bond Treasury yields rose above 3.2% during October 2018 and investors have caused a sharp fall in equity prices as they sold out of holding riskier assets.

2.5.9 However, US 10 year bond yields have subsequently fallen back on fears that the Fed could be too aggressive in raising interest rates and was going to cause a recession. More recent comments from the Fed have indicated that the chances of more than one further increase after the December increase have considerably diminished and there is some doubt around even one more increase. Equity prices have been very volatile on alternating good and bad news during this period.

2.5.10 From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

2.5.11 Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year.

2.5.12 Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

Investment and borrowing rates

2.5.13 Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.

2.5.14 Borrowing interest rates have been volatile so far in 2018/19 and while they were on a rising trend during the first half of the year, they have fallen significantly since then. 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 the future when Authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt. The Council will be mindful of this in considering its borrowing arrangements.

2.5.15 There will remain a cost of carry (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

2.6 <u>Borrowing strategy</u>

2.6.1 The factors that influence the 2019/20 strategy are:

- The movement in CFR as set out in Table 3 above;
- Forthcoming ‘Option’ dates on £44m of Lender Option Borrower Option loans (LOBO’s) in 2019/20;

- The interest rate forecasts (set out in Table 10 above);
- Aiming to minimise revenue costs to reduce the impact on the Council Tax Requirement and;
- The impact of the Council's Capital and Property Investment Programmes.

2.6.2 The Council is currently maintaining an under-borrowed position. This means that the CFR has not been fully funded with loan debt as 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 still an issue that needs to be considered. However, as interest rates are low, as advised in 2.5.13-15 consideration will be given to taking advantage of this by securing fixed rate funding and reducing the under borrowed position.

2.6.3 Against this background and the risks within the economic forecast, caution will be adopted with the 2019/20 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 borrowing 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. The likely action would be that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

2.6.4 The gross borrowing requirement in Table 5 at 2.3.4 above shows, based on current estimates, that the Council will need to drawdown a significant amount of new borrowing, to support the capital programme. Any additional borrowing will be completed with regard to the limits, indicators and interest rate forecasts set out above. As noted previously, estimates of borrowing have changed in previous years due to the reprofiling of the capital programme.

2.6.5 During 2019/20, £44m of LOBO (Lender Option Borrower Option) debt will reach the option renewal date. Table 11 below, 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 refinancing at the prevailing market rates.

Table 11 - Maturity Structure of Fixed Rate Debt

Maturity Structure of fixed interest rate debt	2019/20 Actual
under 12 months	29.94%
12 months and within 24 months	10.31%
24 months and within 5 years	22.39%
5 years and within 10 years	5.07%
10 years to 20 years	5.24%
20 years to 30 years	0.00%
30 years to 40 years	3.38%
40 years to 50 years	10.15%
50 years to 60 years	13.53%
60 years and above	0.00%

2.6.6 Due to the current interest rate forecast it is not anticipated that any of these LOBO loans will be called over the period 2019/20 to 2021/22.

2.6.7 The 2019/20 capital programme now shows anticipated prudential borrowing of £119.190m over the period 2019/20 to 2021/22 with £26.713m in 2019/20, £43.919m in 2020/21 and £48.558m in 2021/22. These figures have been reflected in this report and factored into the borrowing strategy for 2019/20 and future years.

2.6.8 Members are advised that indicators for interest rate exposure are no longer a requirement under the new Treasury Management Code however as interest rate exposure risk is an important issue. Officers will monitor the balance between fixed and variable interest rates for borrowing and investments. This will aim to ensure the Council is not exposed to adverse fluctuations in fixed or variable rate interest rate movements.

2.6.9 This is likely to reflect higher fixed interest rate borrowing if the borrowing need is high or fixed interest rates are likely to increase, or a higher variable rate exposure if fixed interest rates are expected to fall. Conversely if shorter term interest rates are likely to fall, investments may be fixed earlier, or kept shorter if short term investments are expected to rise.

2.6.10 The balance between variable rate debt and variable rate investments will be monitored as part of the overall treasury function in the context of the overall financial instruments structure and any under or over borrowing positions.

2.7 <u>Policy on Borrowing in Advance of Need</u>

2.7.1 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.

2.7.2 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.

2.7.3 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.

2.8 Debt Rescheduling

2.8.1 As short term borrowing rates are considerably lower 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 prevailing treasury position and the size of the cost of debt repayment (premiums incurred).

2.8.2 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; and
- enhancing the balance of the portfolio (amending the maturity profile and/or the balance of volatility).

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

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

2.9 Local Capital Finance Company (originally Municipal Bond Agency)

2.9.1 It is possible that Local Capital Finance Company will be offering loans to Local Authorities in the future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB).

2.9.2 The Council has currently invested £0.100m in the Company and intends to make use of this new source of borrowing as and when appropriate.

2.10 Annual Investment Strategy

Investment Policy – Management of Risk

2.10.1 The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

The Council's investment policy has regard to the following: -
- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

2.10.2 The Council's investment priorities will be:
- 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; and
- finally, ethical investments.

2.10.3 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

- Other information: 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 achieve this consideration 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.

- 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.

2.10.4 This Council has defined the list of types of investment instruments that the Treasury Management team are authorised to use. There are two lists in Appendix 5 under the categories of 'specified' and 'non-specified' investments.

- Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.

- Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.

2.10.5 For non-specified investments, the Council has determined that it will limit the maximum total exposure to non-specified investments as being 50% of the total investment portfolio.

2.10.6 Lending limits, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 2.11.3 (Table 12).

2.10.7 Transaction limits are set for each type of investment in 2.11.3.

2.10.8 The Council has set a limit for the amount of its investments which are invested for longer than 365 days, (see paragraph 2.13.7).

2.10.9 Investments will only be placed with counterparties from countries with a specified minimum sovereign rating (see paragraph 2.12.3) and Appendix 6.

2.10.10 The Council has engaged external consultants, (see paragraph 1.11), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.

2.10.11 All investments will be denominated in sterling.

2.10.12 As a result of the change in accounting standards for 2018/19 under IFRS 9, consideration will be given to the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, MHCLG concluded a consultation and agreed for a temporary override to allow English Local Authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from April 2018).

2.10.13 However, the Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 2.14). Regular monitoring of investment performance will be carried out during the year.

2.10.14 The above risk management criteria are unchanged from last year.

2.11 Creditworthiness policy

2.11.1 Oldham Council applies the creditworthiness service provided by Link Asset Services. 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; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

2.11.2 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 and maximum investment value for each counterparty.

2.11.3 Institutions are split into colour bandings and the Council will therefore use counterparties within these colours, durational bands and investment limits. Table 12 below shows these limits.

Table 12 - Investment Criteria

Counter Party	Link Colour Band and Long Term Rating where applicable	Maximum Duration	Maximum Principal Invested per Counterparty
Banks	Yellow (Note 1)	5 Years	£10m
Banks	Dark Pink (Note 2)	5 Years	£10m
Banks	Light Pink (Note 3)	5 Years	£10m
Banks	Purple	2 Years	£20m
Banks	Blue (Note 4)	1 Year	£20m
Banks	Orange (Note 5)	1 Year	£15m
Banks	Red	6 months	£10m
Banks	Green	100 days	£10m
Banks	No Colour	Not to be used	Not to be used
Local Authorities/ Public Bodies	Internal Due Diligence	5 Years	£10m
GMCA	Internal Due Diligence (Note 6)	5 Years	£30m
Debt Management Account Deposit Facility (DMADF)	UK Sovereign rating	6 months	£20m
	Fund Rating	**Maximum Duration**	**Maximum Principal Invested per Counterparty**
Money Market Fund			
Constant	AAA	Liquid	£20m
Low Volatile	AAA	Liquid	£20m
Variable	AAA	Liquid	£20m

Note 1 – UK Government debt or equivalent

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 currently include the RBS Group (Royal Bank of Scotland, NatWest Bank and Ulster Bank).

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

Note 6 - The higher maximum principal is to facilitate joint initiatives and activities relating to the devolution agenda.

2.11.4 The Link 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.

2.11.5 Typically the minimum credit ratings criteria the Council uses will be a Short Term rating (Fitch or equivalents) 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 this instance consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

2.11.6 All credit ratings will be monitored on a weekly basis. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services 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 the Credit Default Swap Index against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in the downgrading of an institution or its removal from the Council's lending list.

2.11.7 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 to help support the decision making process.

UK banks – ring fencing

2.11.8 The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), were required, by UK law, to separate core retail banking services from their investment and international banking activities by 1 January 2019. This is known as "ring-fencing". Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future.

2.11.9 Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and "riskier" activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group.

2.11.10 While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

2.12 Country and Sector Limits

2.12.1 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.

2.12.2 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.

2.12.3 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 6. 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. It is important to note that although able to, the Council has chosen not to invest overseas in recent years.

2.13 Investment Strategy

2.13.1 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). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required to manage the ups and downs of cash flow, any cash identified that could be invested for longer periods will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.

- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

2.13.2 The Council currently has investments totalling £22m which span the financial year as shown in Table 13. These investments are current as at February 2019.

Table 13 - Investments maturing in 2019/20

Counterparty	Amount	Maturity Date	Rate
Surrey Heath Borough Council	£1,000,000	17/04/2019	0.90%
Goldman Sachs International Bank	£3,000,000	01/05/2019	0.95%
Thurrock Council	£2,500,000	26/09/2019	1.07%
Thurrock Council	£2,500,000	04/10/2019	1.07%
North Tyneside Council	£5,000,000	10/10/2019	1.07%
Isle of Wight	£5,000,000	07/08/2019	0.95%
West Dunbartonshire Council	£3,000,000	08/08/2019	0.98%
Total	**£22,000,000**		

2.13.3 The Bank Rate is forecast to increase steadily but slowly over the next few years to reach 2.00% by Quarter 1 2022. Bank rate forecasts for financial year ends are:

- 2018/19 0.75%
- 2019/20 1.00%
- 2020/21 1.50%
- 2021/22 2.00%

2.13.4 The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year are as follows:

- 2018/19 0.75%
- 2019/20 1.00%
- 2020/21 1.25%

- 2021/22 1.75%
- 2022/23 2.00%
- 2023/24 2.25%
- 2024/25 2.50%

2.13.5 The overall balance of risks to economic growth in the UK is probably neutral.

2.13.6 The balance of risks to increases in Bank Rate and shorter term PWLB rates, are also even and are dependent on how strong GDP growth turns out, how slowly inflation pressures subside and how quickly the Brexit negotiations move forward positively.

Investment Treasury Indicator and Limit

2.13.7 This indicator considers total principal funds invested for greater than 365 days. These limits have regard to the Council's liquidity requirements and to reduce the need for the early redemption of investments, and are based on the availability of funds after each year end.

Table 14 – Maximum principal sum invested greater than 365 days

Upper Limit for principal sums invested for longer than 365 days	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Principal sums invested for longer than 365 days	£50m	£50m	£50m	£50m
Current investments as at February 2019 in excess of 1 year	£15m	£15m	£15m	£15m

2.13.8 For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short dated deposits, in order to benefit from the compounding of interest.

2.14 Investment Risk Benchmarking

2.14.1 These benchmarks provide simple guides to maximum risk, and may be breached from time to time, depending on movements in interest rates and counterparty criteria. These benchmarks provide officers with a baseline against which current and trend positions can be monitored. It may be necessary to 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 to Members.

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

- Bank overdraft facility of £0.100m
- 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 (London Interbank Bid Rate) 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%

2.14.2 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 Cabinet and then Council for approval.

2.15 Other Treasury Management Issues

2.15.1 The Council is currently involved in legal action against Barclays Bank with regards to certain Lender Option Borrower Option (LOBO) transactions. This is based on the Bank's involvement in manipulation of the LIBOR benchmark rate and the subsequent impact on the Council's financial position. This matter is on-going.

Brexit

2.15.2 The Council is mindful of the Brexit timetable and will ensure that treasury activity is managed to minimise any risk to the Council as 29 March 2019 approaches.

3 Options/Alternatives

3.1 In order to comply 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.

4 Preferred Option

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

5 Consultation

5.1 There has been consultation with Link Asset Services, Treasury Management Advisors. The consideration of the Treasury Management Strategy for 2019/20 by the Overview and Scrutiny Performance and Value for Money Select Committee is a key strand in the consultation process. The Select Committee scrutinised the proposed Treasury Management Strategy at its meeting on 24 January 2019 and was content to commend the report to Cabinet. Cabinet also considered and approved the Strategy at its meeting of 11 February 2019 and was content to commend the report to Council. The Treasury Management Strategy will also be considered at the next meeting of the Audit Committee

6 Financial Implications

6.1 Financial Implications are detailed within the report.

7 Legal Services Comments

7.1 There are no legal implications.

8 Co-operative Agenda

8.1 The Treasury Management Strategy embraces the Council's co-operative agenda. The Council will develop its investment framework to ensure it complements the co-operative ethos of the Council.

9 Human Resources Comments

9.1 There are no Human Resource Implications.

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 has previously been acknowledged in the Internal and External Auditors' reports presented to the Audit Committee. An issue dependent upon market developments which may need to be considered in the future is refinancing some of the long term loans. This can be mitigated by effective monitoring of the market.

11 IT Implications

11.1 There are no IT Implications.

12 Property Implications

12.1 There are no Property Implications.

13 Procurement Implications

13.1 There are no Procurement Implications.

14 Environmental and Health & Safety Implications

14.1 There are no Environmental and Health & Safety Implications.

15 Equality, community cohesion and crime implications

15.1 There are no Equality, community cohesion and crime implications.

16 Equality Impact Assessment Completed?

16.1 No.

17 Key Decision

17.1 Yes.

18 Key Decision Reference

18.1 FCR -17 -18

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 - 8
Officer Name:	Lee Walsh / Talei Whitmore
Contact No:	0161 770 6608/ 4924

20 Appendices

Appendix 1	Minimum Revenue Provision (MRP) Policy Statement
Appendix 2	Prudential and Treasury Indicators 2019/20 – 2021/22
Appendix 3	Link Asset Services - Treasury Advisor's Interest Rate Forecast 2019-2022
Appendix 4	Economic Background
Appendix 5	Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management
Appendix 6	Approved Countries for Investments
Appendix 7	Treasury Management Scheme of Delegation
Appendix 8	Treasury Management Role of the Statutory Chief Finance Officer (Director of Finance)

Appendix 1 – Minimum Revenue Provision (MRP) Policy Statement

1.1 General Principles and Practices

1.1.1 Local Authorities are required to set aside 'prudent' provision for debt repayment where they have used borrowing or credit arrangements to finance capital expenditure. Ministry for Housing, Communities and Local Government (MHCLG) regulations require the full MRP Statement to be decided upon at least annually and reported to the Council Meeting. The Council has to ensure that the chosen options are prudent.

1.2 Link to Asset Life/Economic Benefit

1.2.1 Where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP will normally be determined by reference to asset life, economic benefit or MHCLG Guidance.

1.2.2 To the extent that expenditure cannot be linked to the creation/enhancement of an asset and is of a type that is subject to estimated life periods that are referred to in the MHCLG guidance (paragraph 24), these periods will generally be adopted by the Council.

1.2.3 Where certain types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure.

1.2.4 Whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

1.3 Methods for Calculating MRP

1.3.1 Any of the methods for calculating MRP that are set out below may be used. MRP will commence in the financial year after the completion of assets rather than when expenditure is incurred. All methods, with the exception of the approach taken to Previously Supported General Fund Borrowing are based on Asset Life/Economic Benefit. These methods include but are not limited to:

The Annuity Method

1.3.2 This calculation seeks to ensure the revenue account bears an equal annual charge (for principal and interest) over the life of the asset by taking account of the time value of money. Since MRP relates only to 'principal', the amount of provision made annually gradually increases during the life of the asset. The interest rate used in annuity calculations will be referenced to either prevailing or average PWLB rates.

Equal Instalments of Principal

1.3.3 MRP is an equal annual charge calculated by dividing the original amount of borrowing by the useful life of the asset.

Previously Supported General Fund Borrowing

1.3.4 General Fund Borrowing that was previously supported through the Revenue Support Grant (RSG) system will be provided for in equal annual instalments over a 50 year period commencing 1 April 2016. As at 1 April 2016, the value of this borrowing equalled £134,376,866 and results in an equal annual minimum revenue provision of £2,742,385; the final instalment of which will be provided for by no later than 31 March 2066. In the event of:

- transfers of Capital Financing Requirement between the General Fund element and Housing element; and
- additional voluntary revenue provision being made.

The annual MRP charge will be adjusted to ensure that full provision will continue to be made by no later than 31 March 2066.

Bespoke Repayment Profiles

1.3.5 With regard to credit arrangements that are implicit in Finance Lease or PFI arrangements, any 'debt' repayment element (notional or otherwise) included in charges associated with these arrangements will be classified as MRP.

1.4 Voluntary Revenue Provision

1.4.1 The Council has the option of making additional Voluntary Revenue Provision (VRP) in addition to MRP. The Council may treat VRP as 'up-front' provision (having a similar impact to the early repayment of debt) and thus recalculate future MRP charges accordingly. Where the Council has made additional VRP's for debt repayment in previous years, in year MRP charges may be adjusted to reflect this provided it does not result in a negative MRP charge. To the extent charges are adjusted, current and future year's charges will be recalculated to ensure the Council continues to make prudent provision for debt repayment in relation to historic capital expenditure. The Council may in some circumstances apply VRP to relatively short-life assets/expenditure in order to facilitate a reduction in the future base revenue budget needed to fund capital financing costs.

1.5 Local Exceptions to the Guidance

1.5.1 The Council reserves the right to determine useful life periods and prudent MRP in certain circumstances or where the recommendations of the MHCLG guidance are not appropriate to local circumstances. Examples include:

Assets under Construction

1.5.2 No MRP charge will be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use.

Local Authority Mortgage Scheme (LAMS)

1.5.3 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 MRP to repay the debt liability in the interim period.

Loans to third parties

1.5.4 The Council has considered the Statutory Guidance, which recommends a 25 year repayment charge for loans to third parties, and concluded that provision is not necessary. The Council considers an MRP charge is not necessary in respect of any loans made to third parties as the debt liability is covered by the existence of a debtor and the associated obligation to make repayments.

1.6 Borrowing in Lieu of Capital Receipts

1.6.1 The Council has concluded that MRP provision is not necessary for capital expenditure incurred in lieu of capital receipts. Any such schemes will be classified by the Capital Investment Programme Board (CIPB) as 'Borrowing in Lieu of Capital Receipts'. CIPB will also determine which capital receipts will be allocated to the scheme and as the receipts are achieved they will be applied to repay the debt.

The Application of Capital Receipts in Lieu of MRP

1.6.2 Where the Council has received uncommitted and unapplied Capital Receipts, it retains the option to set aside those Capital Receipts as part of its arrangements for making 'prudent' provision for debt repayment rather than using them for capital financing purposes.

1.6.3 As Capital Receipts may form part of the Councils arrangements for making 'prudent' provision, setting aside Capital Receipts in this manner can be carried out in lieu of MRP whereby the MRP charge will be reduced by an amount equal to that set aside from Capital Receipts.

1.7 HRA Capital Financing Requirement (CFR)

1.7.1 MRP will equal the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations (SI 2003/3146) as if they had not been revoked. This approach is consistent with paragraph 7 of the MHCLG Guidance on MRP.

1.7.2 The basic MRP charge relating to the HRA CFR is therefore nil. However, the Council may make 'Voluntary Revenue Provision' provided such an approach is prudent and appropriate in the context of financing the HRA capital programme and is consistent with the delivery of the HRA Business Plan.

Appendix 2 Prudential and Treasury Indicators 2019/2020 – 2021/22

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

Capital expenditure

Capital Expenditure	2017/18 Actual £000	2018/19 Estimate '000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
Corporate and Commercial Services *	1,463	14,174	9,212	1,583	1,719
Health and Wellbeing	1,493	0	0	0	0
Health & Adult Social Care Community Services	0	1,894	2,682	1,400	400
Economy, Skills and Neighbourhoods	22,058	0	0	0	0
People & Place	0	31,265	54,403	63,081	70,544
Reform	0	216	100	100	700
Funds yet to be allocated	0	306	5,000	3,000	1,500
General Fund Services	**25,014**	**47,855**	**71,397**	**69,164**	**74,863**
Housing Revenue Account (HRA)	789	1,097	4,235	1,632	922
HRA	**789**	**1,097**	**4,235**	**1,632**	**922**
Commercial Activities / Non-Financial Investments **	0	0	8,700	6,910	5,000
Commercial Activities / Non-Financial Investments	**0**	**0**	**8,700**	**6,910**	**5,000**
Total	**25,803**	**48,952**	**84,332**	**77,706**	**80,785**

* Excludes commercial activities which are which are included in the Corporate and Commercial Services capital programme

** Relate to areas such as capital expenditure on investment properties, loans to third parties etc.

Affordability prudential indicators

The previous sections cover the overall capital 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. Council is asked to approve the following indicators:

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.

	2017/18 Actual £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
General Fund excluding DSG*	11.52%	12.68%	12.88%	12.75%	13.41%

*Dedicated Schools Grant

The estimates of financing costs include current commitments and the proposals in the budget report.

Maturity structure of borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Council is asked to approve the following treasury indicators and limits:

Maturity Structure of fixed interest rate debt 2019/20	Lower Limit	Upper Limit
Under 12 months	0.00%	40.00%
12 months and within 24 months	0.00%	40.00%
24 months and within 5 years	0.00%	40.00%
5 years and within 10 years	0.00%	40.00%
10 years to 20 years	0.00%	50.00%
20 years to 30 years	0.00%	50.00%
30 years to 40 years	0.00%	50.00%
40 years to 50 years	0.00%	50.00%
50 years to 60 years	0.00%	50.00%
60 years and above	0.00%	50.00%

Control of interest rate exposure

Members are advised that indicators for interest rate exposure are no longer a requirement under the new Treasury Management Code however, as interest rate exposure risk is an important issue, officers will monitor the balance between fixed and variable interest rates for borrowing and investments. This will aim to ensure the Council is not exposed to adverse fluctuations in fixed or variable rate interest rate movements.

This is likely to reflect higher fixed interest rate borrowing if the borrowing need is high or fixed interest rates are likely to increase, or a higher variable rate exposure if fixed interest rates are expected to fall. Conversely if shorter term interest rates are likely to fall, investments may be fixed earlier, or kept shorter if short term investments are expected to rise.

The balance between variable rate debt and variable rate investments will be monitored as part of the overall treasury function in the context of the overall financial instruments structure and any under or over borrowing positions.

Appendix 3 – Link Asset Services Interest Rate Forecast 2019 – 2022

PWLB rates and forecast shown below take into account the 20 basis point certainty rate reduction effective as of the 1 November 2018 for 2018/19 and 2019/20.

Link Asset Services Interest Rate View	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.70%	0.80%	1.00%	1.10%	1.20%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.80%	0.90%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.00%	1.10%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
10yr PWLB Rate	2.20%	2.30%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.00%
25yr PWLB Rate	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
Bank Rate													
Link Asset Services	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%
Capital Economics	0.75%	0.75%	1.00%	1.25%	1.50%	1.75%	1.75%	1.75%	-	-	-	-	-
5yr PWLB Rate													
Link Asset Services	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
Capital Economics	1.80%	1.90%	2.00%	2.20%	2.50%	2.50%	2.60%	2.60%	0.00%	0.00%	0.00%	0.00%	0.00%
10yr PWLB Rate													
Link Asset Services	2.20%	2.30%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.00%
Capital Economics	2.20%	2.30%	2.40%	2.60%	2.80%	2.80%	2.80%	2.80%	-	-	-	-	-
25yr PWLB Rate													
Link Asset Services	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%
Capital Economics	2.70%	2.80%	3.00%	3.10%	3.30%	3.20%	3.20%	3.10%	-	-	-	-	-
50yr PWLB Rate													
Link Asset Services	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
Capital Economics	2.60%	2.70%	2.80%	2.90%	3.20%	3.20%	3.20%	3.10%	-	-	-	-	-

Appendix 4: Economic Background

Set out below is a more detailed analysis of the Economic background used to support the preparation of the 2019/20 Treasury Management Strategy Statement.

Global Outlook

World growth has been doing reasonably well, aided by strong growth in the US. However, US growth is likely to fall back in 2019 and, together with weakening economic activity in China and the Eurozone, overall world growth is likely to weaken.

Inflation has been weak during 2018 but, at long last, unemployment falling to remarkably low levels in the US and UK has led to an acceleration of wage inflation. The US Fed has therefore increased rates nine times and the Bank of England twice. However, the European Central Bank (ECB) is unlikely to start raising rates until late in 2019.

Key Risks - central bank monetary policy measures

Looking back on ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as Quantitative Easing (QE), where central banks bought large amounts of Central Government debt and smaller sums of other debt.

The key issue now is that period of stimulating economic recovery and warding off the threat of deflation, is coming towards its close. A new period is well advanced in the US, and started more recently in the UK, of reversing those measures i.e. by raising central rates and, (for the US), also reducing central banks' holdings of Government and other debt. These measures are now required in order to stop the trend of a reduction in spare capacity in the economy and of unemployment falling to such low levels, that the re-emergence of inflation is viewed as a significant risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this also encouraged investors into a search for yield and into investing in riskier assets such as equities. Consequently, prices in both bond and equity markets rose to historically high valuation levels simultaneously. This meant that both asset categories were exposed to the risk of a sharp downward correction and we did, indeed, see a sharp fall in equity values in the last quarter of 2018 and into early 2019. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery, by taking too rapid and too strong action, or, conversely, let inflation run away by taking action that was too slow and/or too weak. The potential for central banks to get this timing and strength of action wrong are now key risks. It is particularly notable that, at its 30 January 2019 meeting, the Fed dropped its previous words around expecting further increases in interest rates; it merely said it would be "patient".

The world economy also needs to adjust to a sharp change in liquidity creation over the last five years where the US has moved from boosting liquidity by QE purchases, to reducing its holdings of debt, (currently about $50bn per month). In addition, the European Central Bank ended its QE purchases in December 2018.

United Kingdom

2018 was a year which started with weak growth of only 0.1% in quarter 1. However, quarter 2 rebounded to 0.4% in quarter 2 followed by quarter 3 being exceptionally strong at +0.6%. Quarter 4 though, was depressed by the cumulative weight of Brexit uncertainty and came in at only +0.2%. Growth is likely to continue being weak until the Brexit uncertainty clears.

The MPC has stated that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary of contractionary), than before the crash; indeed they have given a figure for this of around 2.5% in ten years' time but have declined to give a medium term forecast. However, with so much uncertainty around Brexit, the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, the MPC could also raise Bank Rate in the same scenario if there was a boost to inflation from increases in import prices, devaluation of sterling, and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor could provide fiscal stimulus to boost growth.

Inflation

The Consumer Price Index (CPI) measure of inflation has been falling from a peak of 3.1% in November 2017 to 2.1% in December 2018 and 1.8% in January 2019. In the November Bank of England quarterly inflation report, inflation was forecast to still be marginally above its 2% inflation target two years ahead, (at about 2.1%), given a scenario of minimal increases in Bank Rate.

The labour market figures in November were particularly strong with an emphatic increase in total employment of 141,000 over the previous three months, unemployment at 4.0%, a 43 year low on the Independent Labour Organisation measure, and job vacancies hitting an all-time high, indicating that employers are having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation continued at its high point of 3.3%, (3 month average regular pay, excluding bonuses). This means that in real terms, (i.e. wage rates less CPI inflation), earnings are currently growing by about 1.2%, the highest level since 2009. This increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC was right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy.

In the political arena, the Brexit deal put forward by the Conservative minority Government was defeated on 15 January. Prime Minister May is currently, seeking some form of modification or clarification from the EU of the Irish border backstop issue. However, the position is that the Government will endure, despite various setbacks, along the route to reaching an orderly Brexit though the risks are increasing that it may not be possible to get full agreement by the UK and EU before 29 March 2019, in which case this withdrawal date is likely to be pushed back to a new date. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary and fiscal policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

United States of America

President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2% (annualised rate) in quarter 1 to 4.2% in quarter 2 and 3.5%, (3.0% y/y), in quarter 3, but also an upturn in inflationary pressures. The strong growth in employment numbers and an unemployment rate of 4.0%, near to a recent 49 year low, has fed through to an upturn in wage inflation which hit 3.2% in December.

However, CPI inflation overall fell to 1.9% in December and looks to be on a falling trend to continue below the Fed's target of 2% during 2019. The Fed has continued on its series of increases in interest rates with another 0.25% increase in December to between 2.25% and 2.50%, which was the fifth increase in 2018 and the ninth in this cycle. However, they dropped any specific reference to expecting further increases at their January 30 2019 meeting. The last increase in December compounded investor fears that the Fed could overdo the speed and level of increases in rates in 2019 and so cause a US recession as a result. There is also much evidence in previous monetary policy cycles of the Fed's series of increases doing exactly that. Consequently, we have seen stock markets around the world falling under the weight of fears around the Fed's actions, the trade war between the US and China and an expectation that world growth will slow. Since the more reassuring words of the Fed in January, equity values have recovered somewhat.

The tariff war between the US and China generated a lot of heat during 2018; it could significantly damage world growth if an agreement is not reached during the current three month truce declared by President Trump to hold off from further tariff increases.

Eurozone

Growth was 0.4% in quarters 1 and 2 but fell back to 0.2% in quarter 3, though this was probably just a temporary dip. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of its manufacturing exports e.g. cars. Current forward indicators for economic growth and inflation have now been on a downward trend for a significant period which will make if difficult for the European Central Bank (ECB) to make any start on increasing rates until 2020 at the earliest. Indeed, the issue now is rather whether the ECB will have to resort to new measures to boost liquidity in the economy in order to support growth. Having halved its quantitative easing purchases of debt in October 2018 to €15bn per month, the European Central Bank ended all further purchases in December 2018. In its January 2019 meeting, it made a point of underlining that it will be fully reinvesting all maturing debt for an extended period of time past the date at which it starts raising the key ECB interest rates.

China

Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. Progress has been made in reducing the rate of credit creation, particularly from the shadow banking sector, which is feeding through into lower economic growth. There are concerns that official economic statistics are inflating the published rate of growth.

Japan

Japan has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. It is likely that loose monetary policy will endure for some years yet to try to stimulate growth and modest inflation.

Emerging countries

Argentina and Turkey are currently experiencing major headwinds and are facing challenges in external financing requirements well in excess of their reserves of foreign exchange. However, these countries are small in terms of the overall world economy, (around 1% each), so the fallout from the expected recessions in these countries will be minimal.

Interest Rate Forecasts

The interest rate forecasts provided by Link Asset Services in paragraph 2.5.1 are predicated on an assumption of an agreement being reached on Brexit between the UK and the EU. On this basis, while GDP growth is likely to be subdued in 2019 due to all the uncertainties around Brexit depressing consumer and business confidence, an agreement is likely to lead to a boost to the rate of growth in 2020 which could, in turn, increase inflationary pressures in the economy and so cause the Bank of England to resume a series of gentle increases in Bank Rate. Just how fast, and how far, those increases will occur and rise to, will be data dependent. The forecasts in this report assume a modest recovery in the rate and timing of stronger growth and in the corresponding response by the Bank in raising rates.

- In the event of an orderly non-agreement exit, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall.
- If there was a disorderly Brexit, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly. It is also possible that the Government could act to protect economic growth by implementing fiscal stimulus.

However, there would appear to be a majority consensus in the Commons against any form of non-agreement exit so the chance of this occurring has now substantially diminished.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed for ten years since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

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

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England monetary policy** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**, possibly in **Italy**, due to its high level of Government debt, low rate of economic growth and vulnerable banking system, and due to the election in March 2018 of a Government which has made a lot of anti-austerity comments. The EU rejected the initial proposed Italian budget and demanded cuts in Government spending which the Italian Government initially refused. However, an amendment was subsequently agreed but only by delaying the planned increases in expenditure to a later year. This has therefore only been pushed into the future. The rating agencies have started on downgrading Italian debt to one notch above junk level. If Italian

debt were to fall below investment grade, many investors would be unable to hold it. Unsurprisingly, investors are becoming increasingly concerned by the words and actions of the Italian Government and consequently, Italian bond yields have risen – at a time when the Government faces having to refinance large amounts of debt maturing in 2019.

- Weak capitalisation of some **European banks**. Italian banks are particularly vulnerable; one factor is that they hold a high level of Italian Government debt - debt which is falling in value. This is therefore undermining their capital ratios and raises the question of whether they will need to raise fresh capital to plug the gap.
- **German minority Government.** In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the support of the SPD party. Then in October 2018, the results of the Bavarian and Hesse state elections radically undermined the SPD party and showed a sharp fall in support for the CDU. As a result, the SPD is reviewing whether it can continue to support a coalition that is so damaging to its electoral popularity. After the result of the Hesse state election, Angela Merkel announced that she would not stand for re-election as CDU party leader at her party's convention in December 2018, (a new party leader has now been elected). However, this makes little practical difference as she is still expected to aim to continue for now as the Chancellor. However, there are five more state elections coming up in 2019 and EU parliamentary elections in May/June; these could result in a further loss of electoral support for both the CDU and SPD which could also undermine her leadership.
- **Other minority eurozone Governments.** Spain, Portugal, Ireland, the Netherlands and Belgium all have vulnerable minority Governments dependent on coalitions which could prove fragile.
- **Italy, Austria, the Czech Republic and Hungary** now form a strongly anti-immigration bloc within the EU. Elections to the EU parliament are due in May/June 2019.
- The increases in interest rates in the US during 2018, combined with a potential trade war between the USA and China, sparked major volatility in equity markets during the final quarter of 2018 and into 2019. Some **emerging market countries** which have borrowed heavily in dollar denominated debt, could be particularly exposed to investor flight from equities to safe havens, typically US treasuries, German bunds and UK gilts.
- There are concerns around the level of US corporate debt which has swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions. This has resulted in the debt of many large corporations being downgraded to a BBB credit rating, close to junk status. Indeed, 48% of total investment grade corporate debt is now rated at BBB. If such corporations fail to generate profits and cash flow to reduce their debt levels as expected, this could tip their debt into junk ratings which will increase their cost of financing and further negatively impact profits and cash flow.
- **Geopolitical risks,** especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **Brexit** – if both sides were to agree a compromise that removed all threats of economic and political disruption.
- **The Fed causing a sudden shock in financial markets** through misjudging the pace and strength of increases in its Fed Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which

then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

- **UK inflation,** whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

Appendix 5: Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

Specified Investments: All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable.

Non-specified Investments: These are any investments which do not meet the specified investment criteria. A maximum of 50% will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

Specified Investments

	Minimum credit criteria / colour band	**** Max % of total investments/ £ limit per institution**	**Max. maturity period**
DMADF – UK Government Debt Management Account Deposit Facility	N/A	100%	6 months
UK Government gilts	UK sovereign rating	£20m	12 months
UK Government Treasury bills	UK sovereign rating	£20m	12 months
Bonds issued by multilateral development banks	AAA	£10m	6 months
Money Market Funds	AAA	£20m	Liquid
Enhanced Cash Funds with a credit score of 1.25	AAA	£20m	Liquid
Enhanced Cash Funds with a credit score of 1.5	AAA	£20m	Liquid
Public Bodies	N/A	£20m	12 months
Term deposits with banks and building societies	Blue Orange Red Green No Colour	£20m £15m £10m £10m Not for use	12 months 12 months 6 months 100 days Not for use
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	£20m £15m £10m £10m Not for use	12 months 12 months 6 months 100 days Not for use
Gilt funds	UK sovereign rating	£10m	12 months
REPO's (Collateralised deposit)	100% Collateral	£5m	12 months
GMCA	Internal Due Diligence	£30m	12 months
GM Public Bodies	Internal Due Diligence	£30m	5 years

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure that the Council is protected from any adverse revenue implications, which may arise from these differences, the accounting implications of new transactions will be reviewed before they are undertaken.

Non-specified Investments: A maximum of 50% will be held in aggregate in non-specified investments.

Maturities in excess of 1 year

	* Minimum Credit Criteria	Use	£ limit per institution	Max. maturity period
Term deposits – local authorities and other public institutions	--	In-house	£10m	5 years
Term deposits – banks and building societies	Yellow Purple	In-house	£10m £10m	5 years 2 years
Certificates of deposit issued by banks and building societies	Yellow Purple	In-house	£10m £10m	5 years 2 years
Certificates of deposit issued by banks and building societies	Short-term F1 Long-term AA	Fund Managers	£5m	2 years
Collateralised deposit	UK sovereign rating	In-house and Fund Managers	£5m	2 years
UK Government Gilts	UK sovereign rating	In-house and Fund Managers	£10m	5 years
Bonds issued by multilateral development banks	AAA	In-house and Fund Managers	£10m	3 years
Sovereign bond issues (other than the UK Government)	AAA	In-house and Fund Managers	£5m	2 years
Corporate bonds	Short-termF1 Long-term AA	In-house and Fund Managers	£5m	5 years
Green Energy Bonds	Internal Due Diligence	In-house and Fund Managers	£10m	10 years
Property Funds	Internal Due Diligence	In-house	£30m	10 years
Floating Rate Notes	Long Term A	In-house	£5m	5 years
REPO's (Collateralised deposit)	100% Collateral	In-house	£5m	5 years
GMCA	Internal Due Diligence	In-house	£30m	5 years
Covered Bonds	Long term A	In-house	£5m	5 years
Local Capital Finance Company (Municipal Bonds Agency)	Internal Due Diligence	In-house	£1m	10 years
Local Authority Fixed Income Fund	Internal Due Diligence	In-house	£5m	10 years
Unrated Bonds, backed by securitised Assets	Internal Due Diligence	In-house and fund managers	£5m	5 years
Asset Backed Pooled Investment Funds	Internal Due Diligence	In-house and fund managers	£5m	5 years
Fixed term deposits with variable rate and variable maturities	Internal Due Diligence	In-house and External Advice	£20m	50 years

Appendix 6: Approved Countries for Investments (as at Febuary 2019)

AAA

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

AA+

- Finland
- U.S.A.

AA

- France
- U.K.

AA-

- Belgium

Appendix 7: 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;
- the approval of the annual strategy, mid-year review and outturn report;
- approval of/amendments to the organisation's Treasury Management Policy Statement and Treasury Management Practices;
- budget consideration and approval;
- approval of the division of responsibilities; and
- receiving and reviewing regular monitoring reports and acting on recommendations.

Cabinet is the responsible body for:

- considering the Treasury Management Policy and Procedures and making recommendations to the responsible body; and
- considering Treasury Management reports and commending to Council.

Audit Committee is responsible for scrutiny:

- reviewing the Treasury Management Policy and Procedures and making recommendations to the responsible body; and
- reviewing Treasury Management reports and making recommendations to the responsible body.

Cabinet Member for Finance and and Corporate Resources is responsible for:

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

Note : The Overview and Scrutiny Performance and Value for Money Select Committee reviews and scrutinises the Annual Treasury Management Strategy report along with the suite of other budget reports (including the Capital Strategy).

Appendix 8: The Treasury Management Role of the Statutory Chief Finance Officer (Director of Finance)

The Statutory Chief Financial Officer will discharge the Treasury Management role by:

- recommending 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 Treasury 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 processes, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe;
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Authority;
- ensures that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investment which exposes the Authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- the provision to Members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that Members are adequately informed and understand the risk exposures taken on by an Authority;
- ensuring that the Authority has adequate expertise, either in house or externally provided, to carry out the above; and
- the creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:
    - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
    - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
    - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;

- Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken; and

- Ensuring appropriate training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

Oldham Council

Report to Council

Statement of the Chief Financial Officer on Reserves, Robustness of Estimates and Affordability and Prudence of Capital Investments

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

Officer Contact: Anne Ryans, Director of Finance

Report Author: Mark Stenson, Head of Corporate Governance
Ext. 4783

27 February 2019

Reason for Decision
To recommend that Council agrees the level of balances necessary to support the 2019/20 budget underpinned by the agreed policy on Earmarked Reserves, setting a properly balanced budget which includes the financing of capital investments within the present investment 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 financial resilience of the Council 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 an appropriate level of 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 supporting the stability of the Council.

There have been several reports issued by the National Audit Office (NAO) on the subject of financial resilience within Local Authorities alongside a recent proposal by the Chartered Institute of Public Finance & Accountancy (CIPFA) for a Local Authority Financial Resilience Index. These issues are highlighted in Section 5 of the report but have largely been prompted by the financial failure at Northamptonshire County Council during 2018.

Members can be assured that Oldham Council continues to be well placed to meet the difficult financial challenges that it faces. The Council has prepared a detailed revenue budget within a five year Medium Term Financial Strategy (MTFS), a five year capital programme and continues the closure of accounts within an appropriate timeframe allowing early focus on the coming challenges and a robust financial transformation programme.

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 policy on earmarked reserves was considered by the Audit Committee in July 2018 and it is proposed to action the same review again in 2019/20 after the closure of the accounts for 2018/19.

Recommendations

It is recommended that Council:

- Approves the General Balances currently calculated for 2019/20 at £14.250m and that any excess funding in general balances at the financial year-end is to be transferred to the fiscal mitigation reserve to support the financial resilience of the Council.

- Notes that the initial estimate of General Balances to support the Medium Term Financial Strategy is as follows:
    - £14.840m for 2020/21 and
    - £14.136m for the years 2021/22, 2022/23 and 2023/24.

- Notes the intended report to the Audit Committee on Earmarked Reserves to ensure this area is subject to appropriate scrutiny.

- Agrees the actions necessary to secure a properly balanced budget as presented in paragraph 3.6.

- Agrees the actions necessary to ensure the prudence of the capital investments as noted in paragraph 4.4.

Statement of the Chief Financial Officer on Reserves, Robustness of Estimates and Affordability and Prudence of Capital Investments

1. Background on Calculating the Recommended Level of General Balances to support the 2019/20 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 cannot 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 2019/20 budgets is detailed at Appendix 1. It also calculates an indicative recommended level of balances to support the 2020/21, 2021/22, 2022/23 and 2023/24 budgets. These allow for the current pressured state of the Council's finances which by way of example include the continued pressures in certain services, especially Children's Social Care.

1.4. The recommended level of general balances to support the 2019/20 budget is £14.250m. Assuming the Council remains on course to spend within its 2018/19 agreed budget there will be no requirement to supplement from additional resources.

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 the Medium Term are £14.840m for 2020/21 and £14.136m for the years 2021/22, 2022/23 and 2023/24. These are in line with the level of risk included in the 2019/20 calculation and reflect the need to keep an appropriate level of general balances to manage known challenges. These include continued significant reductions in Central Government support resulting in a challenging savings target for the MTFS period on top of significant efficiencies already achieved.

2. Earmarked Reserves

2.1. The Council has 15 Earmarked Reserves as summarised in Appendix 3 and has estimated earmarked reserves at the 2018/19 year-end totalling £65.646m. 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. Further detail of the estimated earmarked reserves held by the Council which are supported by the Reserves Policy are 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:

- Council Initiatives
- Insurance Reserve
- Levy Reserve
- Adverse Weather Reserve
- Demand Changes Reserve
- Transformation Reserve
- Lifecycle Costs Reserve
- Fiscal Mitigation Reserve
- Taxation/Treasury Reserve
- Emergency and External Events

2.4. The Earmarked Reserves required for other more specific, including invest to save purposes are:

- Balancing Budget Reserve
- Regeneration Reserve
- Integrated Working Reserve
- Directorate Reserves
- District Executive Reserve

2.5 In addition there are two other reserves, the School Balances reserve (which is not available for the Council to utilise) and the Revenue Grants reserve which is for specific grant related initiatives.

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 make the management of the Authority's budget much more challenging than it has been in the past. These include:

- Councils in areas with severe deprivation pressures face significant continued financial challenges. Unprecedented reductions in Government funding for a sustained period, constrained Council Tax increases to fund Adult Social Care, a decline in other income, rising costs and growing demand for many services are all challenging Councils' financial management and resilience.

- As detailed within the Council's Month 8 financial monitoring report approved by Cabinet on 11 February 2019, Children's Social Care is a challenging area for Oldham. There has been a consistent rise in the numbers of looked after children and out of borough placements which has continued from 2017/18. Despite significant investment as part of the setting of the 2018/19 budget, there continues to be a structural overspend. For 2018/19 there is a projected overspend of £4.216m. Although management action is being implemented to reduce spending it is unlikely to have a significant impact prior to the start of 2019/20.

- There is a continued pressure for the Council with regard to its Dedicated Schools Grant (DSG) and in particular the High Needs Block. Despite the support from the Schools block in 2018/19, the DSG in Oldham is still expected to have an in-year deficit of £3.965m. It is an important element of the financial management of the Authority that the DSG is not in a deficit position and there has been action to try to address this. However, this has been more than offset by the increasing numbers of children with special needs entering the schools system. This remains a challenging issue for Oldham.

- The continued potential changes in Council funding particularly with the notification that Government is moving to a 75% retention of local business rates from 2020/21 which is expected to replace the 100% pilot GM scheme that Oldham has been a part of from 2017/18, and potential new arrangements for changes to benefits associated with the expansion of Universal Credit.

- Major changes to the Local Government Finance System are planned to coincide with the beginning of the next Spending Review period in 2020/21. As well as changes to the operation of the Business Rates Retention system, the Government is undertaking a 'Fair Funding' review that is examining how resources are distributed among Local Authorities taking account of spending needs and the ability to raise tax revenues and potentially other income locally. As review work is currently underway, few decisions have been made regarding the changes that are to be introduced. This, coupled with the lack of information regarding Government Departmental spending totals for 2020/21 and beyond, means preparing robust forecasts for all of the Council's Government provided/controlled funding sources is extremely challenging.

3.3. As shown above, the impact of these changes, and the level of further funding reductions in future years 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.

3.4. These current and future financial challenges pose significant, and increasing, risks and require robust financial and budget management along with sufficient reserves to strengthen resilience against future uncertainty.

3.5. 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 when constructing estimates for 2019/20. 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 Council Tax Tax base setting rely on a collection rate of 97% 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 Non Domestic Rates with the most up to date information available from the Greater Manchester pooling arrangements.

3.6. 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 senior officers 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 multi-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 utilising capital grant and capital receipts with the balance being funded through Prudential Borrowing. Related capital financing charges are included in the revenue budget for 2019/20, with future year's charges being estimated in the Medium Term Financial Strategy (MTFS).

4.4. Given the scope of the current investment programme and the challenging financial circumstances the 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. Financial Resilience

5.1. On 6 December 2012 the Audit Commission produced a report into their research on the level of reserves held by Council's. The report, whilst produced a number of years ago, set out sound advice and 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 Council's may retain certain funding which could otherwise be utilised as a one-off to support to the challenging savings targets required and give the time for transformation to deliver savings.

5.2. One conclusion from the Audit Commission 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.
- 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.
- Ensuring significant or unexpected variations to budget are dealt with.

5.3. In addition the Audit Commission report also recommended that 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. To progress this issue in more detail the reserves position has been reported to the Audit Committee with the detailed Reserves Policy presented which aligned the Earmarked Reserves with the Corporate Objectives of the Council.

5.4. A report with regard to Local Government Financial Resilience was presented to the Overview and Scrutiny Performance and Value for Money Select Committee on 13 December 2018. The issue of financial resilience and sustainability across the Local Authority sector is highly relevant to the ongoing development of the Council's Medium Term Financial Strategy and associated budget options for 2019/20 and beyond.

5.5. In February 2018, the Chief Financial Officer of Northamptonshire County Council issued a notice under the powers of Section 114(3) of the Local Government Finance Act 1988, which was the first of its kind for over 20 years. This was followed by an unprecedented issue of a second Section 114 notice in July 2018 as the financial pressures for the Authority had not been adequately addressed.

5.6. Besides Northamptonshire County Council, several other Local Authorities have also been highlighted within the media with regard to financial resilience and sustainability and as a result a number of reports have now been released which highlight the very challenging financial future for all Councils, including Oldham.

5.7. In March 2018, the National Audit Office (NAO) published a report examining the financial sustainability of Local Authorities. Key messages from the report include:

- In real terms, Government funding for Local Authorities has reduced by 49.1% between 2010/11 and 2017/18. The reduction by 2019/20 is expected to reach 56.3%;
- In the three years to 2016/17, service reductions accounted for less than half of funding reductions. Use of reserves and reductions in other spend have become more important in terms of balancing budgets;
- In Councils that provide Social Care services, reserves have grown since 2010/11 but started to fall back in 2016/17; and
- Reserves - based on their rate of use in that year (10.6%), single tier and County areas had the equivalent of less than three years' worth of reserves left.

5.8. Within the report the NAO also recommended that:

- Ministry for Housing, Communities and Local Government (MHCLG) should work with the sector to develop a long-term plan that is genuinely able to address the current financial and demand pressures in the sector and to secure its financial sustainability;

- MHCLG should continue to strengthen its processes for assessing Local Authority funding requirements at future spending reviews especially in children's social care;
- MHCLG should continue to build on its improved oversight of the sector's financial sustainability;
- Government, led by MHCLG, should develop a clear understanding of the role and significance of Local Authorities as a whole in the context of the current funding climate; and
- Government should improve outcome data.

5.9. This report from the National Audit Office shows that the majority of Local Authorities have coped well with the continual reductions in central support but an increasing proportion are experiencing financial stress which has been reported in the press.

5.10. In July 2018, CIPFA launched a consultation on its proposal to publish an annual index of financial resilience for English Councils based on six indicators. The initiative is driven by CIPFA's desire to support the Local Government sector as it faces a continued financial challenge. It was proposed that the index would be based on publically available information and provide an assessment on the financial health of each English Council. On the 4 December 2018, CIPFA issued the response to this consultation. The index is currently in development but given the level of responses, CIPFA's consultation response now proposes 15 indicators within the index, including the following:

1) Reserves depletion time;
2) Level of reserves;
3) Percentage change in reserves;
4) Ratio of Government grants to net revenue expenditure;
5) Proportion of net revenue expenditure accounted for by Children's Social Care, Adult Social Care and debt interest payments;
6) Ofsted overall rating for Children's Social Care; and
7) External Auditor's Value for Money judgement.

CIPFA considers it important to support Chief Finance Officers in providing information to assist in the context of financial health and resilience. It is anticipated that the finalised index will be available to support the 2020/21 budget process.

5.11. The most recent report was issued by the NAO on the 23 January 2019. This report detailed the pressures on Children's Social Care. The NAO concluded that the Department for Education (DfE) has made little progress in improving Children's Social Care services and that it does not understand what is driving demand in this area. This is a high area of risk for Local Authorities and highlights the extremely challenging future Council's face.

6. 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 £14.250m for 2019/20 as calculated in this report and that all budget options, or in year alternatives, are delivered as planned and monitored.

7. 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 on-going year on year reductions in budget whilst remaining financially resilient.

7.2. The earmarked reserves as set aside by the Council at each financial year-end 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 continues to consider reports from the Director of Finance on the matter.

8. Financial Implications

8.1. The review of reserves and provisions has identified that the Council will be required to maintain the recommended level of general balances to support the 2019/20 budget, in line with good practice and the duties of the Director of Finance.

9. Legal Services Comments

9.1. Under section 25 of the Local Government Act 2003, the Chief Finance Officer must report on the robustness of the estimates made for the purposes of budget calculations and the adequacy of the proposed financial reserves. (Paul Entwistle)

10. Co-operative Agenda

10.1. The adequacy of reserves and balances to underpin its agreed budget enables the Council to have long term security to support its aims and objectives and takes forward the co-operative ethos of the Council.

11. Human Resources Comments

11.1. Not Required.

12. 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 production of 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. (Mark Stenson)

13. IT Implications

13.1. Not Required.

14. Property Implications

14.1. Not Required.

15. Procurement Implications

15.1. Not Required.

16. Environmental and Health & Safety Implications

16.1. Not Required.

17. Equality, community cohesion and crime implications

17.1. Not Required.

18. Equality Impact Assessment Completed?

18.1. Not Required.

19. Key Decision

19.1. Yes

20. Key Decision Reference

20.1. FCR-12-18

21. Background Papers

21.1. 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 1-3
Officer Name:	Mark Stenson
Contact No:	0161 770 4783

22. Appendices

22.1. 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	2019/20 Budget £000	Risk Factor	Value £000	2020/21 Budget £000	Risk Factor	Value £000	2021/22 to 2023/24 Budget £000	Risk Factor	Value £000
Inflation									
Salaries including pensions	86,924	0.50%	435	88,662	0.50%	443	90,436	0.50%	452
Premises	11,074	0.25%	28	10,874	0.50%	54	10,674	0.50%	53
Transport	4,701	0.25%	12	4,601	0.50%	23	4,501	0.50%	23
Supplies	78,210	0.25%	196	77,210	0.25%	193	76,210	0.25%	191
PFI	21,142	0.00%	0	21,353	0.25%	53	21,567	0.25%	54
Other	Quantum		150	Quantum		150	Quantum		250
			821			**916**			**1,023**
Interest Rates									
Changes in rates	Quantum		250	Quantum		250	Quantum		500
			250			**250**			**500**
Grants									
H. Benefit/ Council Tax Support	1,121	0.00%	0	1,041	1.00%	10	965	1.00%	10

New Homes Bonus	961	0.00%	0	358	1.00%	4	270	1.00%	3
Business Rates Top Up	40,653	0.00%	0	55,324	0.50%	277	56,430	0.75%	423
Business Rates Retained	50,826	1.00%	508	40,490	1.50%	607	41,048	3.00%	1,231
Grants in Lieu of Business Rates	10,503	1.00%	105	8,007	1.00%	80	8,168	1.00%	82
Improved Better Care Fund	9,736	2.52%	245	8,150	1.00%	82	8,150	1.00%	82
Independent Living Fund Grant	2,580	0.00%	0	2,500	1.00%	25	2,420	1.00%	24
Department for Work and Pensions - New Burdens / Universal Credit	172	1.00%	2	0	0.00%	0	0	0.00%	0
Homelessness Support / New Burdens Grant	256	0.00%	0	0	0.00%	0	0	0.00%	0
Lead Local Flood Authority	12	0.00%	0	12	0.00%	0	12	0.00%	0
Social Care Support Grant	1,917	0.00%	0	0	0.00%	0	0	0.00%	0
Winter Pressures Grant	1,122	0.00%	0	0	0.00%	0	0	0.00%	0
Brexit Support Grant	105	0.00%	0	0	0.00%	0	0	0.00%	0
Public Health Grant	0	0.00%	0	15,999	1.00%	160	15,553	1.00%	156
Discretionary Housing Payments Grant	638	0.00%	0	638	0.00%	0	638	0.00%	0
PFI Credits	13,262	1.00%	132	13,262	1.00%	132	13,262	1.00%	132
Dedicated Schools Grant	Quantum		1,000	Quantum		750	Quantum		500
			1,992			**2,127**			**2,643**
Estimated Budgets									
Academies Loss	Quantum		250	Quantum		250	Quantum		250

Carbon Emissions	Quantum		25	Quantum		25	Quantum		25
Childrens Social Care	Quantum		1,500	Quantum		1,000	Quantum		850
			1,775			**1,275**			**1,125**
Volume Changes									
Council Tax including Adult Social Care	92,090	1.00%	920	96,583	0.25%	241	101,289	0.25%	253
Collection Fund Surplus	2,269	1.00%	25	0	0.00%	0	0	0.00%	0
Unity	Quantum		300	Quantum		300	Quantum		300
			1,245			**541**			**553**
Budget Savings									
2019/20	7,829	25.00%	1,957	7,829	2.00%	157	7,829	2.00%	157
2020/21	0	0.00%	0	22,871	20.00%	4,574	22,871	2.00%	457
2021/22	0	0.00%	0	0	0.00%	0	10,889	20.00%	2,178
			1,957			**4,731**			**2,792**
Insurance									
Medical Malpractice linked to Health Devolution	Quantum		100	Quantum		100	Quantum		100
			100			**100**			**100**
Emergency Planning									
ICT disaster	Quantum		500	Quantum		500	Quantum		500
Flooding	Quantum		150	Quantum		150	Quantum		150
Offices	Quantum		150	Quantum		150	Quantum		150
Emergency Planning	Quantum		300	Quantum		300	Quantum		300

Contractor Failure	Quantum		250	Quantum		250	Quantum		250
Environmental Incident	Quantum		400	Quantum		400	Quantum		400
Unforeseen disaster	Quantum		400	Quantum		400	Quantum		400
			2,150			**2,150**			**2,150**
Changes									
Debt Collection	Quantum		100	Quantum		100	Quantum		100
			100			**100**			**100**
Financial Guarantees									
Contractual Disputes	Quantum		500	Quantum		500	Quantum		500
Levying Bodies	Quantum		250	Quantum		250	Quantum		250
Pensions	Quantum		500	Quantum		500	Quantum		500
Devolution	Quantum		150	Quantum		150	Quantum		150
Investments	Quantum		1,000	Quantum		500	Quantum		500
Grant Claw back	Quantum		250	Quantum		250	Quantum		250
			2,650			**2,150**			**2,150**
Other									
Flexible Use of Capital Receipts	Quantum		210	Quantum		0	Quantum		0
General	Quantum		1,000	Quantum		500	Quantum		1,000
			1,210			**500**			**1,000**
TOTAL			**14,250**			**14,840**			**14,136**

Appendix 2

Eleven Areas of Risk for Oldham Council

Number	Area of Risk	Analysis of Risk
1	Inflation is underestimated in the original agreed estimates	There are two issues. Firstly, there may be some items of expenditure - those where prices are linked into exchange rate 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. 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 given the fluctuations in exchange rates 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 due to a recognition the levels set in the pay cap need review as against commodities such as fuel. The calculation of a recommended balance reflects this.
2	Interest rates are underestimated	This is similar to 1 above, but for a specific area of risk. 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 2019/20. Allowing for borrowing profiles, the 2019/20 budgets have been prepared on the present levels of interest paid by the Council linked to the present estimate of borrowing required. 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. 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 invest surplus cash have reduced in past years. 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.

3	Changes to grant funding regimes	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. The Local Government Finance Settlement has been based on the submission of the Council’s efficiency plan which guaranteed funding levels to 2019/20. This shows a continued reduction in Government grant which needs to be matched by transformation savings which are not guaranteed. Changes to the present business rates regime linked into the full retention pilot being managed by the Greater Manchester family. Major changes to the Local Government Finance System are planned to coincide with the beginning of the next Spending Review period in 2020/21. As well as changes to the operation of the Business Rates Retention system, the Government is undertaking a ‘Fair Funding’ review that is examining how resources are distributed among Local Authorities taking account of spending needs and the ability to raise tax revenues and potentially other income locally. The continuing transformation of functions linked into devolution such as those provided by the health service. Potential changes to specific grant funding which is being absorbed in the former revenue support grant after a number of financial years.
4	Some budgets are only indicative at the time the budget is agreed	There are some initiatives that are known will happen, but are not sufficiently advanced to accurately cost. 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 funding.

5	Volatility in some budget headings between years	There are long standing areas of risk where the Council budget for the middle of the range, but might find the outturn for a year at the higher end. In respect of Council Tax there is a risk that the Collection Rate falls reducing the future amount which can be drawn down in future years. 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.
6	Efficiency gains expected in the agreed budget are not achieved	The budget includes an assumption that the Council will deliver ambitious savings; the risk is that they may be delivered at a slower rate. Based upon 2009/10 to 2018/19 experience the achievement of the budget savings programme in monetary terms has shown significant achievement. In the next four financial years from 2019/20 there are further challenging budget savings required. These savings requirements mean it is prudent to retain some balances should these targets not be achieved.
7	Unforeseen Insurance Costs	Acts of God can result in higher insurance traffic than had been anticipated. 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 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. 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 £250,000 for liability claims and £100,000 for premises. With the transfer of Public Health functions and the devolution agenda on health 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.

8	Emergencies which cannot be foreseen which can occur on an ad hoc basis	Were disasters to occur, the Council needs to have balances in place to pick up costs that will fall to the Council. A disaster such as one involving ICT could occur on a one-off basis. There has also been a recent incidence where a key supplier has gone into administration. 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. There is an emerging risk to the Council around environmental impact from items outside of its control such as the illegal dumping of waste which requires remediation.
9	Changes to budgets where targets are not met	Change necessarily means doing things in a way for which we have no evidence. The assumptions made maybe wrong. This is the most difficult area to predict but there will be unforeseen costs which are not envisaged when the budget is prepared. It is also anticipated that a change in the general environment caused by an economic shock outside the control of the Council could cause a reduction in the debt collected.
10	Financial and Partnership guarantees given by the Council	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: • In a complex organisation there are contractual disputes for claims against the Council. • 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. This risk has increased for 2019/20 due to changes in national standards re recognising cost risk. • Grant clawback could occur whereby the Council is the accountable body for a grant. • Investments of the Council where market value can fluctuate.
11	Unforeseen Events	This covers matters not considered in 1-10 but it is considered prudent to hold an amount in the General Balances.

Anticipated Earmarked Reserves as at 31/03/2019

Earmarked Reserve	Balance £000	Assessment of Current Risk
Council Initiatives Reserve	(3,963)	There are a number of projects and programmes of work which the Council considers to be priority initiatives. This includes: 1) There is a Corporate Priority to support the learning and attainment agenda to promote the improvement of results in schools. 2) Expected costs to assist with the preservation of Foxdenton Hall to support the Chadderton Together Group.
Insurance Reserve	(12,933)	This includes: i) 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. ii) 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. iii) 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. iv) 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 for high value claims. 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 2018/19. The amount could increase or decrease at the year-end as reported dependent upon the output of this Actuarial Review.

Levy Reserve	(403)	This reserve has been set aside to smooth the impact of future levy increases on the Council budget.
Adverse Weather Reserve	(1,500)	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 cannot be foreseen at budget setting and can be considerable in terms of damage caused.
Demand Changes Reserve	(2,000)	The Council has set funds aside to allow for the unbudgeted increase in demand, especially costs associated with looked after children which are difficult to predict and because of circumstances outside the control of the Council which can fluctuate from year to year.
Transformation Reserve	(8,576)	This reserve has agreed resources set aside to provide for any costs of implementing the Councils budgets requirements as set out in the Medium Term Financial Strategy to fund investment required to enable the continued transformation of services to achieve efficiency savings.
Lifecycle Costs Reserve	(6,611)	This reserve is required to equalise out between years the costs estimated to be incurred by the Council on both Building Schools for the Future (BSF) and 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 remain at the same level 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 potential reduction from future Government austerity measures.

Fiscal Mitigation Reserve	(5,558)	The financial environment in which the Council operates has changed from 1st April 2013. Instead of having certainty around the amount of income it will receive in relation to Business Rates, there is a risk of underperformance and business rate appeals. 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 five years. This reserve reduces the risk to the Council of reducing resources due to external matters outside its control such as a reduction in economic output and will finance some of the future costs of change the Council is likely to face.
Taxation/Treasury Reserve	(625)	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.
Emergency and External Events Reserve	(2,616)	This reserve has been established to ensure that the Council has sufficient resources to address costs arising from events such as flooding including the requirement to undertake emergency repairs.
Balancing Budget Reserve	(8,818)	This reserve provides the resources required to underpin the 2019/20 budget.
Regeneration Reserve	(5,646)	The Council has an extensive and ambitious regeneration agenda and resources have been set aside to support projects such as the Heritage Centre and Town Centre vision which span more than one financial year.
Integrated Working Reserve	(3,067)	This reserve represents resources that have been set aside to support initiatives arising from the Greater Manchester devolution agenda including joint working with the Oldham Clinical Commissioning Group (CCG) around Adult Social Care, other Greater Manchester Councils and the Greater Manchester Combined Authority.

Directorate Reserves	(2,595)	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.
District Executive Reserve	(735)	This is a reserve which has funds set aside to support the work of the District Executives across the Borough.
Total Estimated Earmarked Reserves 31/03/2019	**(65,646)**	

Schools/Grant Related Reserves

Individual School Balances	(1,415)	This earmarked reserve consists of the estimated individual school balances as at 31/03/2019 held by schools under their delegated budgets. These funds are not available for Council use.
Revenue Grants Reserve	(5,870)	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.

Report to Council

Council Tax Reduction Scheme 2019/20

Portfolio Holder: Cllr A Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Corporate Resources

Officer Contact: Anne Ryans, Director of Finance

Report Author: Caroline Lee, Head of Revenues and Benefits
Ext. 4905

27 February 2019

Reason for Decision

The purpose of the report is to present Council with the proposed Council Tax Reduction Scheme for 2019/20 for approval.

Executive Summary

Members will recall that there is a requirement to have a Council Tax Reduction (CTR) scheme to support residents who qualify for assistance in paying Council Tax. The Local Government Finance Act 2012 places a requirement that each year a billing authority must consider whether to revise its Council Tax Reduction scheme or to replace it with another scheme. Any change to the 2019/20 scheme must be agreed by full Council in line with budget setting and no later than 10 March 2019. For Oldham, this requires the Council to agree a revised 2019/20 scheme at this 27 February 2019 Council meeting.

The Council's CTR scheme has been largely un-amended since April 2015 when the Council introduced a scheme that:

- Limited CTR to a maximum of 85% of Council Tax for a Band A property
- Removed second adult discount for those of working age.

The scheme was initially calculated to generate an amount of funding that, when taken alongside the direct grant received, additional income from the treatment of local discounts and premiums for empty properties, made the scheme viable. The CTR element of this calculation works on the basis of an assumed collection rate.

A full examination of all the changes that might be considered for the 2019/20 scheme was explored by Cabinet in August 2018. This included potential changes to be considered following a wider understanding gained of the impact of Universal Credit (UC) full service on residents since its roll out in April 2017. Members agreed to approve a public consultation focusing on areas of review that either maintained the status quo or introduced changes that would be beneficial for the claimant. With this in mind, the consultation sought views on the maintenance of the maximum support afforded under the scheme of 85% of a Band A Council Tax property charge, a range of changes to the calculation of CTR for UC claimants and bringing some income disregards, already in place in the national Housing Benefit scheme, into alignment with the local CTR scheme.

A public consultation was carried out over the period 12 September 2018 to 24 October 2018. Overall, respondents were in favour of the proposals with an average 77% agreement across the four proposed changes and 71% in favour of maintaining the current 85% scheme.

The Overview and Scrutiny Performance and Value for Money Select Committee (PVFM), at its meeting on 24 January 2019, scrutinised the proposed Council Tax Reduction Scheme changes for 2019/20 and the Select Committee was content to agree the proposed 2019/20 CTR scheme and commend the report to Cabinet without additional comment.

On 11 February 2019, Cabinet considered the proposed 2019/20 CTR scheme and agreed to commend the report without amendment to full Council for approval.

Recommendations

It is recommended that that Council approve the proposed Council Tax Reduction scheme changes for 2019/20:

i. To continue to limit support to a maximum of 85% of Council Tax of a Band A property
ii. Treat information received from the Department for Work and Pensions (DWP) about Universal Credit entitlement as a claim for Council Tax Reduction
iii. Apply earnings disregards for Universal Credit/Council Tax Reduction (UC/CTR) claims as set out below
    a. Single claimant £5 per week
    b. Couple £10 per week
    c. Disabled/Carer £20 per week
    d. Lone Parent £25 per week
iv. Incorporate housing costs into the UC/CTR calculation
v. Apply disregards for Bereavement Support Allowance and post graduate master's degree loan and special support payments in the assessment of Council Tax Reduction.

Council **27 February 2019**

Council Tax Reduction Scheme 2019/20

1 Background

1.1 Prior to April 2013, Council Tax Payers who qualified for assistance could apply for Council Tax Benefit (CTB) to help pay their Council Tax. The CTB scheme was administered by Local Authorities on behalf of the Department for Work and Pensions (DWP) and was assessed on a means tested basis. Under this national scheme, Council Tax payers could receive benefit of up to 100% of their Council Tax liability. The Council then received full funding from the Government for all correct CTB awards made. Changes introduced by the Government abolished CTB from 1 April 2013 and made Local Authorities responsible for setting up their own local Council Tax Reduction schemes (CTR) for working age people. The Government also reduced the amount of funding given to Councils to pay for the schemes in 2013/14 by 10%. The CTR scheme for pensioners is set by the Government and is not subject to the changes applied to those of working age. In devising new CTR schemes, the majority of Local Authorities have largely adopted schemes that replicate the old CTB schemes and then applied a minimum payment for working age customers to make up the funding difference.

1.2 Since 2014/15, the amount of grant received from Government to pay for CTR has been included within the general grant (Revenue Support Grant) that the Council receives and the amount to support CTR schemes is not specifically identified year on year. Revenue Support Grant (RSG) continues to be significantly reduced each year and with the introduction of the pilot of 100% Business Rates Retention and the subsuming of RSG into the Councils Business Rates Top Up Grant, it is fair to say the link between Central Government funding and Central Government support for CTR has been cut.

1.3 The legislation confers an obligation on the Council to consider whether to review the CTR scheme on an annual basis. This consideration needs to be given by full Council prior to the deadline for the setting of the Council's budget (which for 2019/20 is no later than 10 March 2019). The last Council meeting before this date is this 27 February 2019 meeting.

2 Current Position

2.1 The Council currently has a CTR scheme that awards a maximum payment of 85% of a Band A rate of Council Tax and has removed the provision to award second adult rebate for claimants of working age.

2.2 Current projections for the annual collection rates for CTR cases due in 2018/19 suggest a collection rate between 80% and 85%. This is a similar CTR collection rate to that recovered in 2017/18 (the 2017/18 collection rate was 81.47%). An additional 5% collection of CTR debt could result in an extra £239k in Council Tax receipts for 2018/19.

2.3 There have been a number of changes to the Housing Benefit (HB) scheme since April 2016. This means that the CTR scheme does not align with revised Housing Benefit regulations. The main HB changes are:

- The family premium was removed for all new claimants
- In households with two or more children, any subsequent children born after April 2017 are no longer be eligible for further support
- Limiting backdating to one month (previously this was six months)
- Changes to the temporary absence rule (this limits housing benefit payments to 4 weeks from 13 weeks for those travelling abroad)
- There is an Employment and Support Allowance work related activity component from 3 April 2017
- There is a disregard of Post Graduate Master's degree loan and special support loans
- Disregard of bereavement payments from 3 April 2017

2.4 Prior to Cabinet approval on 20 August 2018 to carry out a public consultation, a number of options for changing the CTR scheme were considered. These options included reducing the maximum level of CTR support to 82.5%, aligning the CTR scheme to reflect some or all of the changes made to HB, introducing a minimum income floor for self-employed claimants and changing the method of assessment for Universal Credit/Council Tax Reduction (UC/ CTR) cases.

2.5 Members agreed to consult on options that would either maintain the current level of CTR offered or would result in increased levels of CTR for working age residents on low incomes. In particular, it was felt that Oldham, as an early adopter of Universal Credit, was well placed to identify areas where the UC/CTR claiming process could be adjusted to better meet the needs of residents.

3 Options/Alternatives

3.1 A public consultation was therefore carried out from 12 September to 24 October 2018, covering 5 key areas:

- Continuing to limit support to a maximum of 85% of Council Tax of a Band A property
- Treating information received from the Department for Work and Pensions (DWP) about Universal Credit entitlement as a claim for Council Tax Reduction
- Incentivising work for those in receipt of UC/CTR by aligning with the treatment of earnings made in Housing Benefit (HB)
- Incorporating housing costs in the way CTR is calculated for UC claimants
- Applying income disregards for bereavement support payments, post graduate degree loans and special support payments.

3.2 A total of 129 residents responded to the consultation, 31.6% of whom receive CTR. The consultation was conducted online on the Council's website. A hard copy version of the survey document was also made available at Access Oldham, where face to face contact with residents with Council Tax and Benefit issues is handled. Access Oldham officers actively encouraged residents to complete the survey when they visited the Council during the consultation period. Partner and stakeholder organisations were directly asked to participate in the consultation and a separate survey link for organisations was set up on the website. A total of 7 responses were received from 5 organisations.

3.3 The consultation was communicated by an extensive media campaign involving Twitter, Facebook, the Council's website and via local media. Overall the campaign achieved a reach of more than 10,000; however the levels of engagement were very low. The low levels of engagement are indicative of the experience of the Council when conducting a similar CTR consultation for 2015/16 and also reflect the experience of other Local Authorities when carrying out CTR consultations. Low engagement levels are also expected when the detail of the consultation is particularly technical.

3.4 **Overall Response to the Consultation**

Overall, respondents were in favour of the proposed changes with an average of 77% agreement across the four proposed changes and 71% in favour of maintaining the current scheme.

Table 1: Summary of Resident's views

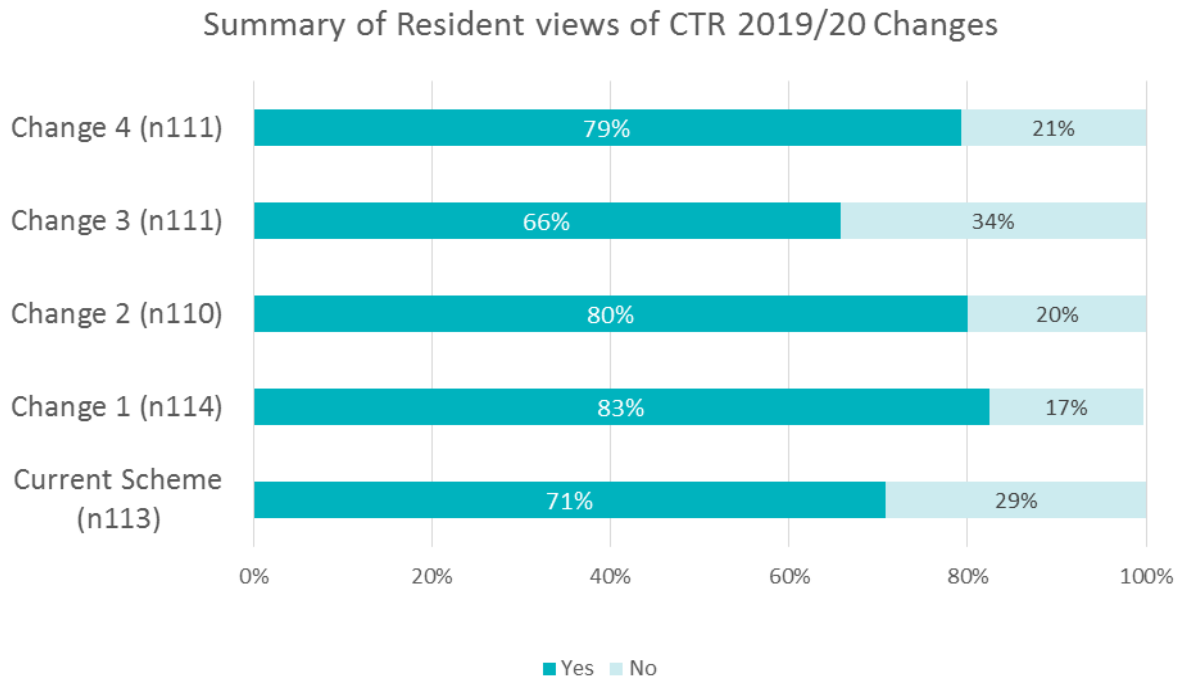


Table 1: Key

Key		
Questions	No of respondents	Summary Name
Current Scheme	113	Maintaining the 85% scheme
Change 1	114	Making a CTR claim – UC claimants
Change 2	110	Earnings disregards
Change 3	111	Housing Costs
Change 4	111	Income disregards

Paragraphs 3.5 to 3.10 set out the background and responses to each of the consultation proposals in more detail.

3.5 Current Scheme: Maintain the current 85% maximum scheme

The current scheme limits the maximum CTR award to 85% of Council Tax for a Band A property. The scheme is understood and established within Oldham and the basis of the calculation is very similar to the Housing Benefit and Pensioner CTR scheme. This scheme requires minimum payments towards Council Tax as set out below (alongside a comparison table of other local CTR schemes). An overall CTR collection rate of 80% rate would support the delivery of the income needed to meet the Council Tax income requirements for 2019/20.

Table 2a: Council Tax charges: CTR limited to 85% maximum of Council Tax for a Band A property

Council Tax Charge(Working Age, Maximum LCTR Award, No Single Person Discount Applied)						
Band	**Charge**	**Maximum Support**	**Annual**	**Monthly (12 Months)**	**Monthly (10 Months)**	**Weekly**
A	£1,202.85	£1,022.42	£180.43	£15.04	£18.04	£3.46
B	£1,403.33	£1,022.42	£380.91	£31.74	£38.09	£7.31
C	£1,603.80	£1,022.42	£581.38	£48.45	£58.14	£11.15
D	£1,804.29	£1,022.42	£781.87	£65.16	£78.19	£14.99
E	£2,205.24	£1,022.42	£1,182.82	£98.57	£118.28	£22.68
F	£2,606.20	£1,022.42	£1,583.78	£131.98	£158.38	£30.37
G	£3,007.14	£1,022.42	£1,984.72	£165.39	£198.47	£38.06
H	£3,608.58	£1,022.42	£2,586.16	£215.51	£258.62	£49.60
Council Tax Charge(Working Age, Maximum LCTR Award, Single Person Discount Applied)						
Band	**Charge**	**Maximum Support**	**Annual**	**Monthly(12 Months)**	**Monthly(10 Months)**	**Weekly**
A	£902.14	£766.82	£135.32	£11.28	£13.53	£2.60
B	£1,052.50	£766.82	£285.68	£23.81	£28.57	£5.48
C	£1,202.85	£766.82	£436.03	£36.34	£43.60	£8.36
D	£1,353.22	£766.82	£586.40	£48.87	£58.64	£11.25
E	£1,653.93	£766.82	£887.11	£73.93	£88.71	£17.01
F	£1,954.65	£766.82	£1,187.83	£98.99	£118.78	£22.78
G	£2,255.36	£766.82	£1,488.54	£124.04	£148.85	£28.55
H	£2,706.44	£766.82	£1,939.62	£161.63	£193.96	£37.20

Table 2b: Neighbouring Local Authority minimum CTR payments for 2018/19

Council Tax Charge(Working Age, Maximum LCTR Award, No Single Occupier Discount Applied)				
LA	**Council Tax Band A 18/19**	**Maximum Support %**	**Annual Charge**	**Minimum Weekly Payment if in receipt of Full CTR**
Oldham	£1,202.85	85%	£180.43	£3.46
Rochdale	£1,175.78	85%	£176.37	£3.38
Tameside	£1,103.46	75%	£275.87	£5.29
Stockport	£1,226.63	100%	£0.00	£0.00
Manchester	£1,044.52	82.50%	£182.79	£3.51
Trafford	£989.92	100%	£0.00	£0.00
Bury	£1,165.91	80%	£233.18	£4.47

Respondents were asked if they agreed that the current level of CTR support should be maintained i.e. keeping the maximum level of CTR support at 85% of Council Tax for a Band A property.

Overall, 71% of respondents agreed that the current level of support should be maintained.

Agreement for this arrangement was lower for Council Tax payers (72%) than those in receipt of CTR (78%) and those in receipt of Universal Credit (78%).

Those in part time employment were least likely to agree with the change (61.5%).

By paying a small charge towards Council tax it encourages responsibility and financial budgeting, *female, 45-54 Full time employed.*

3.6 **Change 1: Making a CTR claim – Universal Credit claimants**

The roll out of the full service of Universal Credit (UC) commenced in Oldham from April 2017 and the UC/CTR caseload is increasing as a result. The Government has recently announced that the further roll out of UC (known as managed migration) will now be delayed. The timeline has now extended (following a pilot of the migration in July 2019) to the end of 2020 with an anticipated national completion date of December 2023. This does not, however, halt the natural migration of cases from Housing Benefit to UC following a relevant change in the claimant's circumstances. Natural migration of cases has been underway in Oldham now, as an early adopter of UC, for nearly two years. The number of UC /CTR cases in December 2018 amounted to 4,337 of an overall CTR caseload of 22,026. The overall CTR caseload has reduced from 23,411 since the introduction of UC.

3.7 Universal Credit replaces six working age benefits including Housing Benefit. It is claimed online directly at Gov.uk. CTR must be applied for separately online with the Council. The Council has worked with the DWP closely to ensure that UC customers are signposted directly to the Council to claim CTR and the Council has also undertaken take up activity over recent months to ensure residents are claiming what they are entitled to. To support this activity, it was proposed that information received by the Council from the DWP relating to a claim for Universal Credit could be treated as a claim for CTR. This would help to maximise entitlement to CTR at the earliest opportunity.

This proposal had the highest number of respondents in favour of the change at 82.5%

Agreement for this arrangement was lower for Council Tax payers (81%) than those in receipt of CTR (86%) and those in receipt of Universal Credit.

I think it's an excellent idea as a resident and a front-line worker in the third sector I see the misery and stress it causes due to lack of information and people assuming this has automatically been applied for as it was when making a Housing Benefit claim in the past*. Female, 45-54 Full Time employed*

3.8 **Change 2: Earnings disregards – Universal Credit claimants**

When UC was originally introduced, the calculation of the UC award included generous work allowances. When UC was introduced, the Government made it clear that work allowances were deliberately higher than earnings disregards in legacy benefits as part of a commitment to 'make work pay'. The work allowance is the amount an individual or family can earn before their maximum UC award starts to be reduced. However, these were cut in 2016. The reductions meant that work allowances for childless claimants reduced to zero i.e. the UC award for childless claimants will begin to reduce as soon as they enter paid work. The work allowances were also cut significantly for lone parents. The Government has recently announced that work allowances will increase by £1,000 per year from April 2019, a measure which will improve work incentives for those people in work who have children or those who have a limited capability for work but there has been no proposed increase for those without children.

The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2013 did not set a specific provision for earnings to be disregarded when determining income for UC claimants (potentially as a result of the work allowances intended for the UC scheme). The earnings disregards used in Housing Benefit and for other earnings in the CTR scheme are set out below.

Table 3: Housing Benefit Earnings Disregards

Table 3 : Earnings Disregards	
A. Only apply one of these	**£ (weekly disregard)**
Single Person	£5
Couple (at least one working)	£10
Disabled/Carer	£20
Lone Parent	£25
B. Plus additional earnings disregard	
If working over 16 or 30 hours (qualifying conditions apply)	£17.10

For the 2019/20 scheme, the consultation set out these earnings disregards and asked if residents supported their introduction for UC/CTR cases. The introduction of this measure would support work incentives and potentially mitigate the impact of the Government's cut in work allowances in the assessment of UC awards.

The cost of introducing the earnings disregards is estimated at £200k per annum for the standard earnings disregards (Table 3, Section A - £5, £10, £20, £25) rising to an estimated £313k per annum if the additional earnings disregard (Table 3, Section B £17.10) is also included. Estimating the cost of introducing these changes is contingent on the rate of transition to UC for Oldham residents in 2019/20 and making assumptions about the hours that will be worked by qualifying residents over the year. The CTR is a demand led scheme and so financial estimates for the full range of changes could be as high as £426k in 2019/20 (although this higher level is much less likely). While residents were consulted on the full range of earnings disregards and were supportive of their introduction, limiting the earnings disregards in 2019/20 to those set out in Section A of Table 3 may be a prudent option in 2019/20. This will allow for the introduction of disregarded earnings not currently covered in the UC/CTR scheme for residents and would give the Council the advantage of running the scheme for a year (thus providing more certainty around the full financial impact of introducing the complete range of earnings disregards into the scheme before actually doing so).

Overall, 80% of respondents agreed with this proposed change.

Agreement with this proposal was lower with Council Tax payers (80%) than those in receipt of CTR (82%) and those in receipt of Universal Credit (88%).

Those not in employment were least likely to agree to the change (74%).

As UC roll out continues, there will be increasing numbers of CTR claimants in receipt of Universal Credit. The DWP reviews real time earnings information and other changes to the claimant's income for each 5 week assessment period, even for very slight changes in income. In November 2018, the service received a weekly average of 1,560 items of post from the DWP in relation to claimants in receipt of UC. This compares with an average of 500 items a week in June /July 2017 and 400 items per month prior to the roll out of Universal Credit full service. This increases the administrative burden for Local Authorities and impacts on Council Tax collection and recovery, particularly if a new Council Tax bill

and payment instalment plan is issued every month. Some Local Authorities have started to automate some of these DWP notifications. The application of earnings disregards does not require a system upgrade but would limit the ability of the Council to automate some of the UC notifications from the DWP in the future.

3.9 **Change 3 Housing Costs - Universal Credit claimants**

The current UC/CTR calculation does not take housing costs into account. Although for the majority of cases, the inclusion of housing costs as income and in the maximum UC award has no effect on entitlement, there are a small number of cases that have been identified where it would be more beneficial to the claimant to include this as part of the calculation. This change would cost the Council £41k p.a. to implement.

Overall, 66% of respondents agreed with this change

Agreement with this proposal was lower for Council Tax payers (65%) than those in receipt of CTR (71%) and those in receipt of Universal Credit (77%).

3.10 **Change 4 Disregarded Income – CTR**

Some income claimants receive is 'disregarded', i.e. not taken into account, when calculating benefit entitlement. Some changes which are beneficial to the residents, have been made to Housing Benefit regulations but have not been incorporated into the CTR scheme. This includes the treatment of Bereavement Support Payments, Post Graduate Degree loans and special support payments. The consultation sought views on including these disregarded income provisions within the CTR scheme. This affects a very small number of claimants and the changes are estimated to cost less than £10k p.a. cumulatively.

Overall 80% of respondents agreed with the change.

Agreement for this proposal was lower for Council Tax payers (78%) than those in receipt of CTR (85%) and those in receipt of Universal Credit (82%).

3.11 In addition to any changes to the 2019/20 scheme, the CTR scheme document at Appendix 3 is subject to changes resulting from prescribed requirements issued by the Secretary of State under paragraph 2(8) of Schedule 1A of the Local Government Finance Act 1992 and any changes from time to time to the figures prescribed by the Government for welfare benefit purposes.

4 **Preferred Option**

4.1 The preferred option following the consultation and further financial analysis is to:

i. Continue to limit support to a maximum of 85% of Council Tax of a Band A property
ii. Use information received from the DWP about UC entitlement as a claim for CTR
iii. Apply earnings disregards for UC/CTR claims as set out below
    a. Single claimant £5 per week
    b. Couple £10 per week
    c. Disabled / Carer £20 per week
    d. Lone Parent £25 per week
iv. Incorporate housing costs into the UC/CTR calculation
v. Apply disregards for Bereavement Support Allowance and post graduate master's degree loan and special support payments in the assessment of CTR.

4.2 Following further financial profiling, it is considered prudent not to apply the additional earnings disregard of £17.10 per week for those working additional hours in 2019/20. The impact of this will be monitored in 2019/20 with a view to inclusion in the scheme for 2020/21.

4.3 Following Member approval of the 2019/20 scheme and the inclusion of prescribed scheme regulations for 2019/20, the Council's revised CTR scheme will be published on the Council's website.

5 Consultation

5.1 The Council has consulted with the major preceptor, the Greater Manchester Combined Authority (GMCA) with regard to the provision of Police and Fire Services. A public consultation on the above options took place between 12 September, 2018 and 24 October, 2018. The consultation was conducted online on the Council's website. Two versions of the survey were prepared, one for residents and one for organisations to complete. A number of stakeholder and partner organisations were contacted directly to encourage participation in the survey. A hard copy version of the survey document was also made available at Access Oldham, where face to face contact with residents on Council Tax and Benefit issues is handled. Access Oldham officers actively encouraged residents to complete the survey when they visited Access Oldham during the consultation period.

5.2 The consultation was communicated via an extensive media campaign involving Twitter, Facebook, the Council's website and via press releases to local media. The social media campaign achieved a reach of 10,000. Consultation responses are detailed in the body of this report and are also set out in the Consultation feedback summary report at Appendix 1.

5.3 A key element of the consultation on the proposed Council Tax Reduction Scheme 2019/20 was its consideration by the Overview and Scrutiny Performance and Value for Money Select Committee at its meeting of 24 January 2019. The Select Committee was content to accept the proposed scheme and commend it to Cabinet.

5.4 On 11 February 2019, Cabinet also considered the proposals and were content to commend to Council for approval.

6 Financial Implications

6.1 The direct grant previously paid by the Department for Communities and Local Government (now the Ministry for Housing, Communities and Local Government) for Council Tax Reduction Support has now been subsumed within the Council's Settlement Funding Assessment and Revenue Support Grant (RSG) figure which has itself been incorporated within Business Rate Top Up grant under the piloting of 100% Business Rate Retention. The link between CTR arrangements and grant compensation is no longer evident, given the level of grant funding that has been reduced under the Government's austerity agenda.

6.2 As at the time of preparing this report, 85% of claimants had made some payment towards their 2018/19 Council Tax bills, suggesting a collection rate of approximately 80%. As outlined above, data is not available to assess how many of these claimants making payments will fall into arrears during the rest of the year, however it is envisaged that proactive collection methods implemented by the Unity Partnership Ltd will enable the Council to collect an amount between 80% and 85% of the amount due in 2018/19. Weekly monitoring of the collection rate is being maintained to manage the risk of non-collection. One perceived risk at this stage is that the present collection rate will reduce towards the end of the financial year and beyond as the Government's welfare change programme progresses. The amount of disposable income many of the scheme's claimants will have

available to meet Council Tax and other financial commitments is likely to reduce. This will have the impact of increasing the risk of arrears from those who are currently paying their Council Tax.

6.3 The table below summarises the current scheme and potential options for consideration. Each option assumes collection rate of 80% (deemed feasible given current projected collection levels).

	% Band A Property	CTR Billed	Collection Rate	CTR Income
	%	£m	%	£m
`Scheme Options	87.5	4.475	80	3.580
	85	4.772	80	3.818
	82.5	5.069	80	4.055
	80	5.366	80	4.293

6.4 For each 2.5% movement of CTR benefit, Council Tax income shifts by approximately £297k. However, this is the Council Tax income figure prior to apportionment over the appropriate precepting percentages. In 2018/19, the allocation percentages are Oldham Council 86.61%, GMCA for Police Services 9.63% and finally GMCA for Fire Services at 3.76%. Therefore a £297k movement would benefit Oldham Council's available funding by approximately £257k.

6.5 The average impact to claimants assuming current caseload numbers of 14,144 claimants remain constant is that for each 2.5% CTR move, a claimant is likely to see a +/-£21.00 adjustment to their CTR benefit depending on whether the CTR scheme is made more or less beneficial.

6.6 As a consequence of not including all the Housing Benefit changes within the Council Tax Reduction Scheme, this scheme is effectively more generous to its recipients than the Housing Benefit regime.

6.7 The introduction of earnings disregards for UC cases is estimated to cost £200k p.a. for the standard earnings disregards rising to a possible £313k if the additional earnings disregards are also introduced. CTR is a demand led scheme and so financial estimates for the full range of changes could be as high as £426k p.a. in 2019/20 (although this higher level is much less likely). Estimates are contingent on the rate of transition to UC for these claimants in 2019/20.

6.8 Incorporating Housing Costs into the assessment of UC/CTR awards is likely to cost £41k in 2019/20.

6.9 Further decisions regarding disregarded bereavement support and postgraduate loan claimants are deemed immaterial from a financial perspective given the very limited numbers of cases within these fields estimated to amount to less than £10k cumulatively.

6.10 The Council currently applies a Council Tax Empty Property Premium of 50% for properties empty and unfurnished for over two years, This was introduced from 1st April 2013 to encourage owners of empty properties to bring properties back into use and to help mitigate the impact of reduced Central Government funding. From 1st April 2019, the Government has given discretion to Local Authorities to increase the Council Tax Empty Property premium to a maximum of 100% and the Council intends to apply this new premium. It is anticipated that any adverse implications from the introduction of CTR changes in 2019/20

could be mitigated by income from additional empty premium charges. These changes have also been accommodated within Council Tax base calculations.

6.11 The Council has an exceptional hardship fund for those residents who are struggling to pay their Council Tax. This fund is a discretionary fund and will continue to be utilised in 2019/20 to support those residents experiencing severe financial difficulty.

6.12 However, as set out in paragraph 2.2 of this report, the collection rate is on an upward trajectory and expected to achieve somewhere between 80% and 85%. This level of collection in addition to the growing Council Tax tax base is deemed sufficient to meet the 2019/20 budgeted Council Tax Income requirements as included in the current Medium Term Financial Strategy (John Hoskins).

7 Legal Services Comments

7.1 The legislation states that each year an authority must give consideration to whether to revise its Council Tax Reduction scheme.

7.2 The revision of a scheme is a decision that the legislation reserves to full Council. Any revision to apply to the scheme for the following year must be made no later than 10 March of the preceding financial year.

7.3 No revision of a scheme can occur unless the authority has, in the following order:

1. Consulted with the major precepting authority – The Greater Manchester Combined Authority for Police and Fire services
2. Published a draft proposed scheme
3. Consulted with others likely to have an interest in the scheme

7.4 The Authority has undertaken consultation as above and is therefore able to revise its scheme should it wish to do. If so, the matter goes to full Council.

7.5 If following consultation it is proposed that no revision is made, it is still recommended that the matter goes to full Council. The legislation does not expressly state that the consideration of whether to revise a scheme, as opposed to actual revision, is reserved for full Council. Given the lack of clarity in the legislation, authorities would be wise to approach the matter with caution even if no revision is proposed.

7.6 In order to discharge its duties under the Equality Act 2010, the authority will need to consider the effects of proposals on people with a protected characteristic as defined by the Act, which can be done by way of an equality impact assessment as happened before the present scheme was made. This is set out at Appendix 2.

7.7 Any scheme to be implemented by the Council shall apply from April 2019 and shall be in terms of the Oldham Council Tax Reduction Scheme at Appendix 3 of the report subject to:

- Any changes resulting from prescribed requirements from time to time issued by the Secretary of State under paragraph 2(8) of Schedule 1A of the Local Government Finance Act 1992
- Any changes from time to time to the various figures in Appendix 3 that are figures prescribed by central government for welfare benefits purposes (Alex Bougatef)

8. Co-operative Agenda

8.1 The approval of support for residents who are of working age and on low incomes is consistent with and embraces the principles of the co-operative agenda.

9 **Human Resources Comments**

9.1 None

10 **Risk Assessments**

10.1 There are a number of risks to be managed in this process:

- Ensuring the revised scheme is not subject to a legal challenge on the basis of equality legislation
- Developing a scheme which is both fair and affordable to the Council in 2019/20 particularly as it will only be based on limited collection rates information early in the financial year and assumptions on grant funding previously made
- Linking in Council Tax Collection Processes to the Council's Council Tax Collection Strategy (Mark Stenson)

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 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.

15.2 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 equality duties and any potential equality issues when making decisions.

N.B. 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.

15.3 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

15.4 As with previous Council Tax Reduction Schemes from 2013, an Equality Impact Assessment has been prepared to try to identify any potential disproportionate adverse Impacts arising from the proposed scheme and also identify any actions which might mitigate these impacts. (Dominic Coleman)

16 **Equality Impact Assessment Completed?**

16.1 An Equality Impact Assessment has been completed and is set out at Appendix 2

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 FCR - 22- 18

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:

20 **Appendices**

20.1 Appendix 1: Consultation Feedback Summary Report
Appendix 2: Equality Impact Assessment
Appendix 3: Council Tax Reduction Scheme 2019/20 (this will be available following inclusion of prescribed requirement amendments on www.oldham.gov.uk from 27 February 2019)

Appendix 1 – Consultation Paper

Consultation on Council Tax Reduction Scheme options in Oldham for 2019/20

January 2019

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Executive Summary

1.1 Overall Summary

Overall, respondents were in favour of the proposed changes to the Council Tax Reduction (CTR) scheme in 2019/20 with an average 77% agreement across the four proposed changes and 71% in favour of maintaining the current scheme.

Table 1: Summary of Resident views

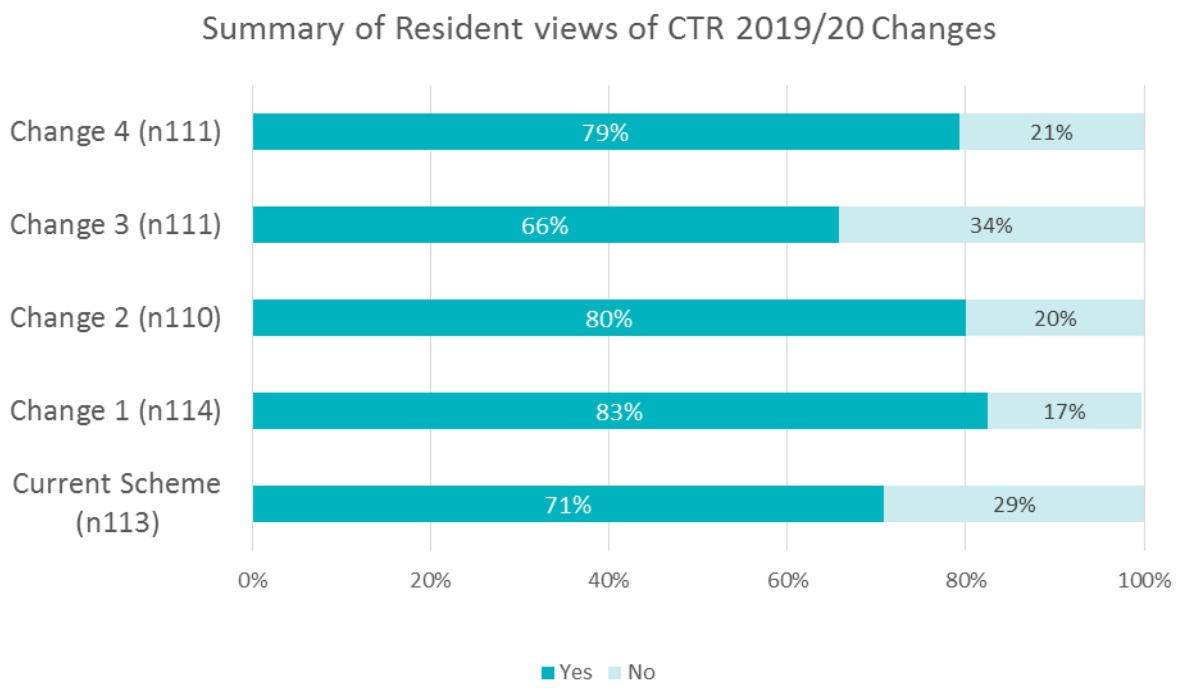


Table 1: Key

Key		
Questions	No of respondents	Summary Name
Current Scheme	113	Maintaining the 85% scheme
Change 1	114	Making a CTR claim – UC claimants
Change 2	110	Earnings disregards
Change 3	111	Housing Costs
Change 4	111	Income disregards

- In total, 129 responses were received. As such, any findings reported in this document must be indicative of the view of the 14,144 potentially affected by any proposed changes to Council Tax Reduction.
- Less than one third (31.6%) respondents indicated that they receive Council Tax Reduction.

- Due to the low number of responses received from organisations, it was deemed inappropriate to conduct quantitative analysis of responses for this data. Instead qualitative feedback has been shared with those responsible for developing the changes.
- Several comments received alluded to the changes being difficult to understand, this was particularly relevant to change three.

1.2 Current Scheme

This question covered maintaining the present level of support i.e. limiting the level of CTR support at 85% of Council Tax for a Band A property.

- Overall **71%** of respondents agreed that the current levels of discount should be maintained.
- Those aged 35-44 were least likely to agree the change (61%) whilst those aged 45-54 were the most likely.
- Agreement for this arrangement were lower with Council Tax payers (72%) than those in receipt of CTR (78%) and those in receipt of Universal Credit (UC) (78%).
- Those in part time employment were least likely to agree with the change to maintain the current scheme (61.5%).
- Only one in five of those with a disability agreed with the change.
- Comments received indicated that some felt that the scheme was unfair on low income households, whilst six respondents were either unsupportive of local government support or disparaging of those in receipt of support.
- There was a mixture of respondents reporting that they felt the discount too high or in contrast did not go far enough.

1.3 Change One: Making a CTR claim - Universal Credit claimants

This proposal covered whether the Council should treat the information that the Council receives from the Department for Work and Pensions (DWP) telling us about a UC claim as a claim for CTR

- Overall **82.5%** respondents agreed that the information received from the DWP for UC claimants should be used in the CTR application process.
- Those aged 35-44 were least likely to agree the change (75%) whilst those aged 45-54 (92%) were the most likely.
- Agreement for this arrangement was lower with Council Tax payers (81%) than those in receipt of CTR (86%) and those in receipt of Universal Credit (94%).
- Those in full time employment were least likely to agree with the change (77%).
- Only one in five of those with a disability agreed the change.
- Overall comments received were positive around the change with agreement about the proposed process in particular how it was felt it would speed up the process.

1.4 Change Two: Disregards

Incentivising work for UC claimants by aligning with some or all of the treatment of earnings made in Housing Benefit (HB).

- Overall **80%** respondents agreed with the change.
- Those aged 35-44 were least likely to agree the change (71%) whilst those aged 45-54 (96%) were the most likely.
- Agreement for this arrangement was lower with Council Tax payers (80%) than those in receipt of CTR (82%) and those in receipt of Universal Credit (88%).
- Those not in employment were least likely to agree with the change (74%).

- Only 18% of those with a disability agreed with the change.
- Seven respondents were unclear about the change.

1.5 Change Three: Housing costs

Including housing costs in the way CTR is calculated for UC claimants

- Overall two thirds **(66%)** of respondents agreed with the change.
- Those aged 35-44 were least likely to agree the change (57%) whilst those aged 55-64 (72%) were the most likely.
- Agreement for this proposal was lower with Council Tax payers (65%) than those in receipt of CTR (71%) and those in receipt of Universal Credit (UC) (77%).
- Those in part time employment were least likely to agree with the change (56%).
- Only 18% of those with a disability agreed with the change.

1.6 Change Four: Disregarded Income

Application of income disregards for Bereavement Support Payments, Post Graduate Degree Loans and Special Support payments to align with the treatment of this income in HB

- Overall **80%** respondents agreed with the change.
- Those aged 35-44 were least likely to agree the change (70%) whilst those aged 45-54 (72%) were the most likely.
- Agreement for this proposal was lower with Council Tax payers (78%) than those in receipt of CTR (85%) and those in receipt of UC (82%).
- Those in part time employment were least likely to agree with the change (75%).
- Only 18% of those with a disability agreed with the change.

Section One: Background

The Council's CTR scheme has been largely un-amended since April 2015 when the Council introduced a scheme that:

- Limited CTR to a maximum of 85% of Council Tax a Band A property
- Removed second adult rebate for those of working age

Between 12 September and 24 October 2018, Oldham Council conducted a consultation around proposed changes to Council Tax Reduction for 2019/20. This consultation follows Cabinet approval of this consultation on 20 August 2018. The consultation sought the views of residents and stakeholders around 5 areas. The changes set out for consideration were:

Change	*Text Summary*		*Summary name*
Current Scheme	Maintaining the present level of support i.e. limiting the level of support at 85% of Council Tax for a Band A property as the maximum amount available.		The Current Scheme
Change 1	Proposal to treat the information that the Council receives from the DWP telling us about a UC claim as a claim for CTR		Making a CTR claim - Universal Credit claimants
Change 2	Incentivising work for UC claimants by aligning with some or all of the treatment of earnings in Housing Benefit (HB)		Earnings disregards
Change 3	Including housing costs in the way CTR is calculated for UC claimants		Housing costs
Change 4	Application of income disregards for Bereavement Support Payments, Post Graduate Degree Loans and Special Support payments to align with the treatment of this income in HB		Income disregards

Methodology

Eligible Population

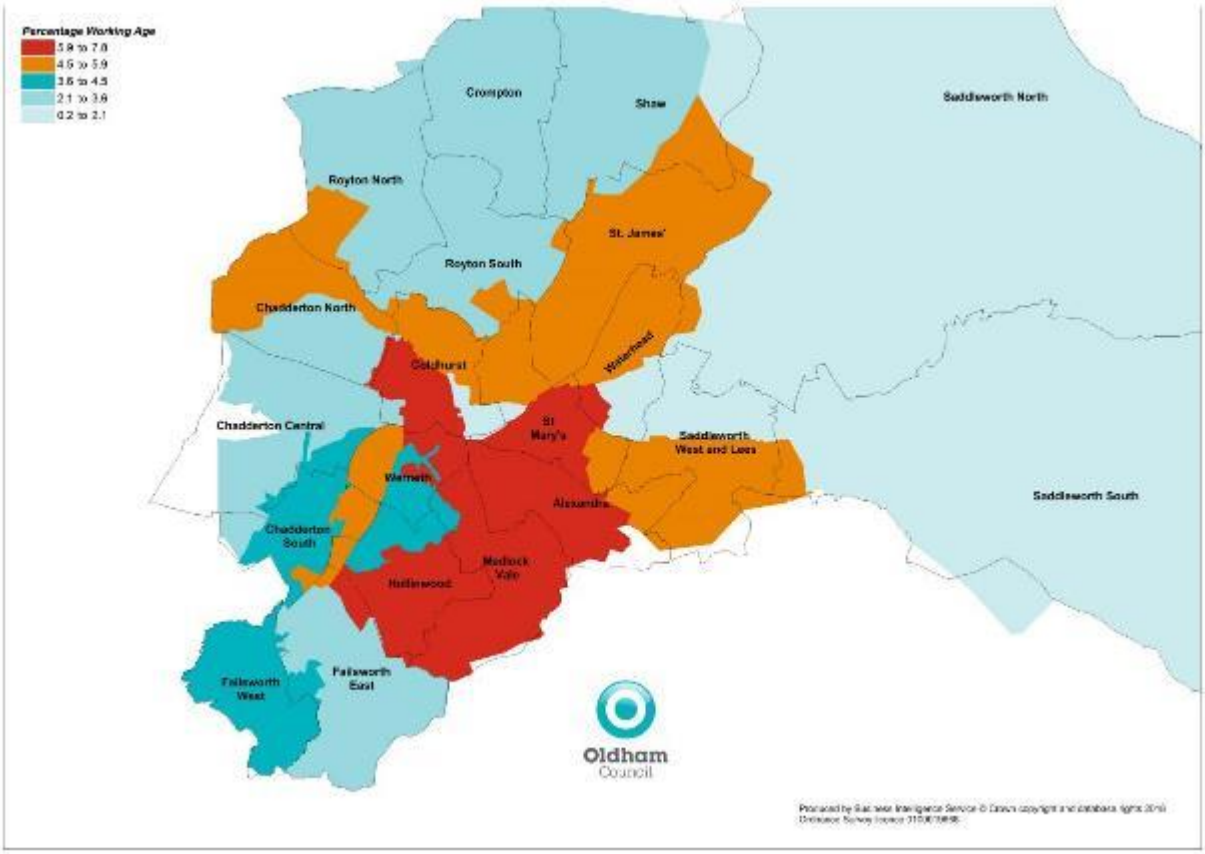
Figures provided by the Oldham Council Revenues and Benefits client team indicate an eligible population of 14,144 claimants of working age. Table one provides a breakdown of claims by claimant type. It shows that those people of working age (64% of the entire claimant group) are affected by the changes (there is a mandatory requirement to protect those of pension age.)

Table 1: Working Age Claimants Oldham Jan 2019

Type of Recipient	Number	%
Pension Age	7,809	35.57%
Working age - passported benefits	6,118	27.87%
Working age – UC	4,452	20.28%
Working age – other	3,574	16.28%
Eligible population	14,144	
Overall Total	21,953	100%

Working Age Claimant Distribution

Map 1 illustrates the distribution of working age claimants in Oldham.

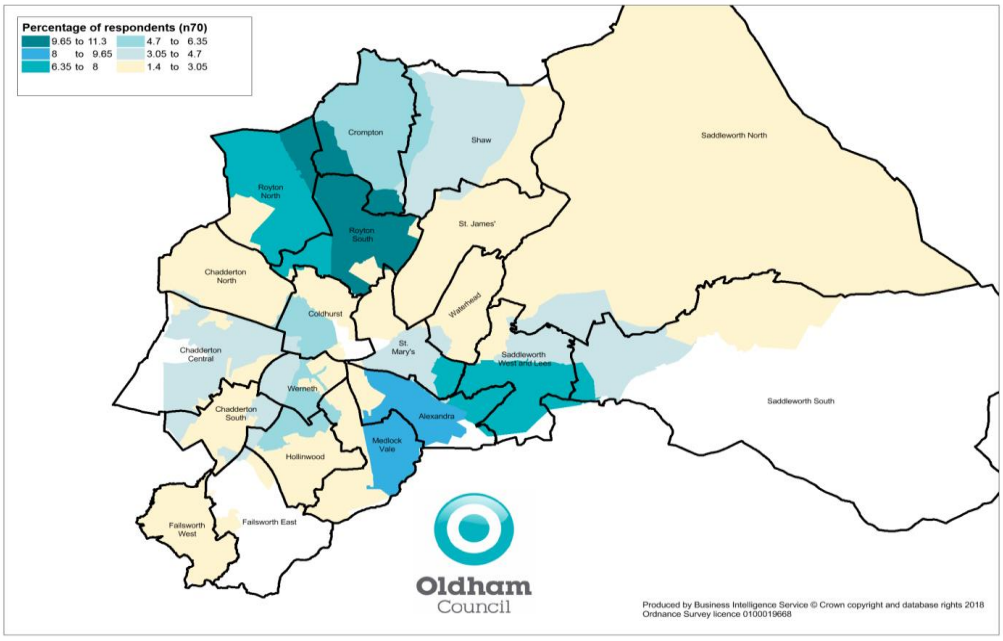


Map 1: Map to show distribution of claimants October 2018

Respondent location

Overall, 97% respondents indicated that they live in the town of Oldham. When asked to state the first four digits of their postcode, 98 provided details of their location. The analysis below is based upon the 71 respondents who provided their information in the requested format (i.e. OL1 1)

Map 2 below illustrates the approximate location of respondents. Overall this reflects the distribution of working age claimants shown in Map 1.



Map 2: Distribution of respondents

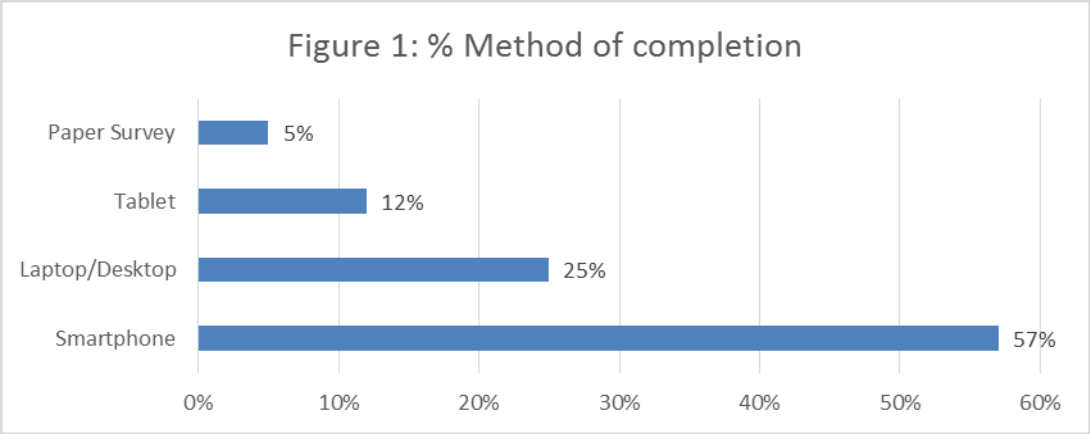
Resident Consultation

The public consultation took place between 12 September 2018 and 24 October 2018. The consultation was conducted online on the Council's website. A hard copy version of the survey document was also made available at Access Oldham, where face to face contact with residents on Council Tax and Benefit issues are handled. Access Oldham officers actively encouraged residents to complete the survey when they visited Access Oldham during the consultation period.

Consultation communications[1]

The consultation was communicated by an extensive media campaign involving Twitter, Facebook, Oldham Council website and local media. Further analysis found that the campaign achieved a reach of more than 10,000; however, the levels of engagement were extremely low. [i] Figure 1 shows that respondents were most likely to respond via their smartphone (57%)

[1] Communications Business Partner (Corporate and Commercial Services and Unity Partnership) Oldham Council Communications team



Stakeholder Consultation

Oldham Council was keen to engage with organisations both local and national to gather views on Changes for Council Tax Reduction in Oldham. As such fifteen organisations were invited to contribute via an online survey. A separate online link was also provided for other organisations to contribute to the survey on the website. Further details of the responses received can be found in Section 4 of this report.

Analysis and reporting

Overall, 129 responses from residents were received. As such any findings reported in this document must be indicative of the view of the 14,144 potentially affected by any proposed changes to Council Tax Reduction.

Due to the low number of responses received from organisations (7 responses from 5 organisations), it was deemed inappropriate to conduct quantitative analysis of responses this data. Instead qualitative feedback has been shared with those responsible for developing the changes and is set out in section 4

- Analysis was conducted using a combination of the SNAP survey tool and Microsoft excel. All figures quoted within this report are based upon known data. Figures have been rounded to the nearest whole number.
- A thematic analysis of comments received from residents and professionals was conducted using NVIVO and MS Excel.
- The number of respondents for each question and where appropriate subgroup can be found in this Appendix.
- Any concerns addressed by both respondent cohorts will be recorded in Section 6 Mitigation.

Section Two: Oldham Residents

Overall views

Figure 2 provides an overall summary of resident's views to the changes consulted on for the Council Tax Reduction Scheme in Oldham in 2019/20.

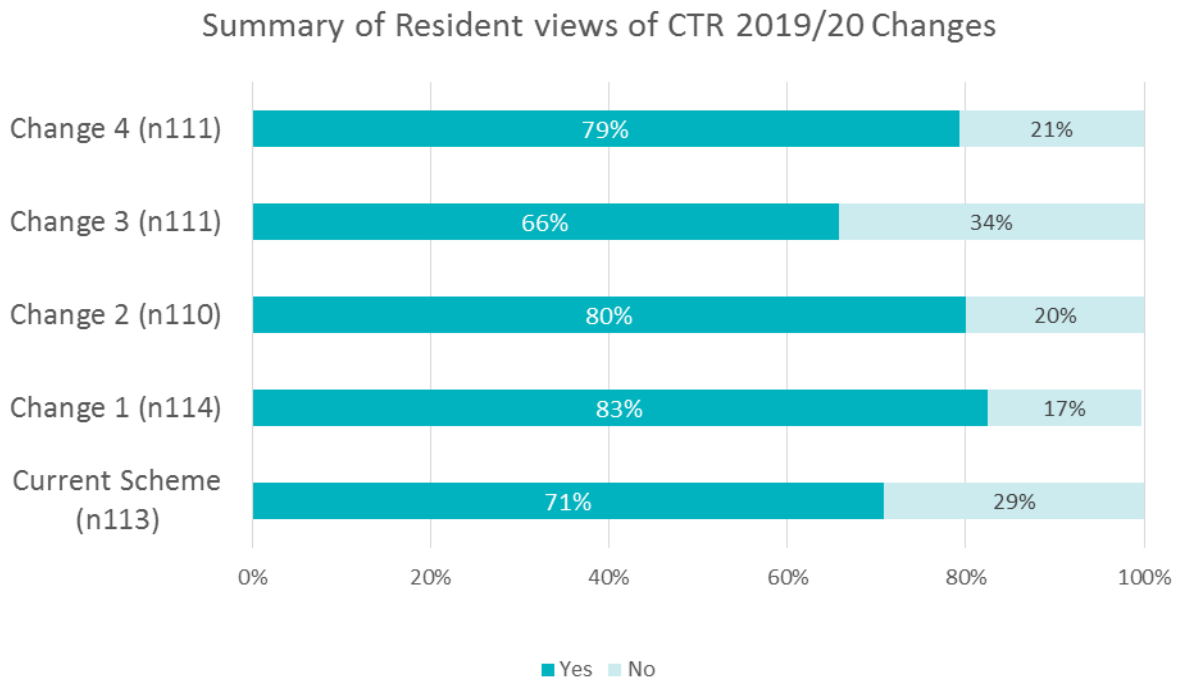


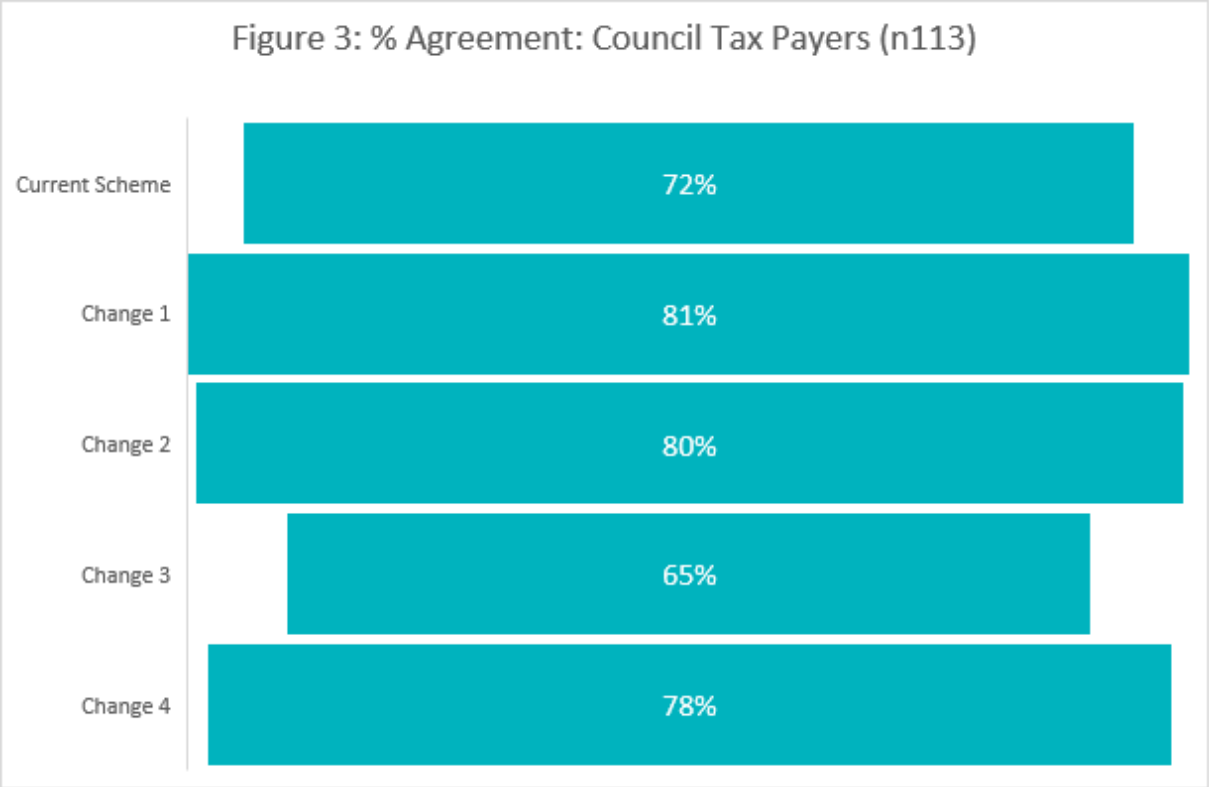
Figure 2: Key

Key		
Questions	No of respondents	Summary Name
Current Scheme	113	Maintaining the 85% scheme
Change 1	114	Making a CTR claim – UC claimants
Change 2	110	Earnings disregards
Change 3	111	Housing Costs
Change 4	111	Income disregards

- Overall there are high levels of agreement to the changes proposed. The most favoured being Changes 1, 2 and 4.
- Respondents were least likely to support Change 3 with around two thirds declaring their agreement with the proposed change.

Council Tax payers

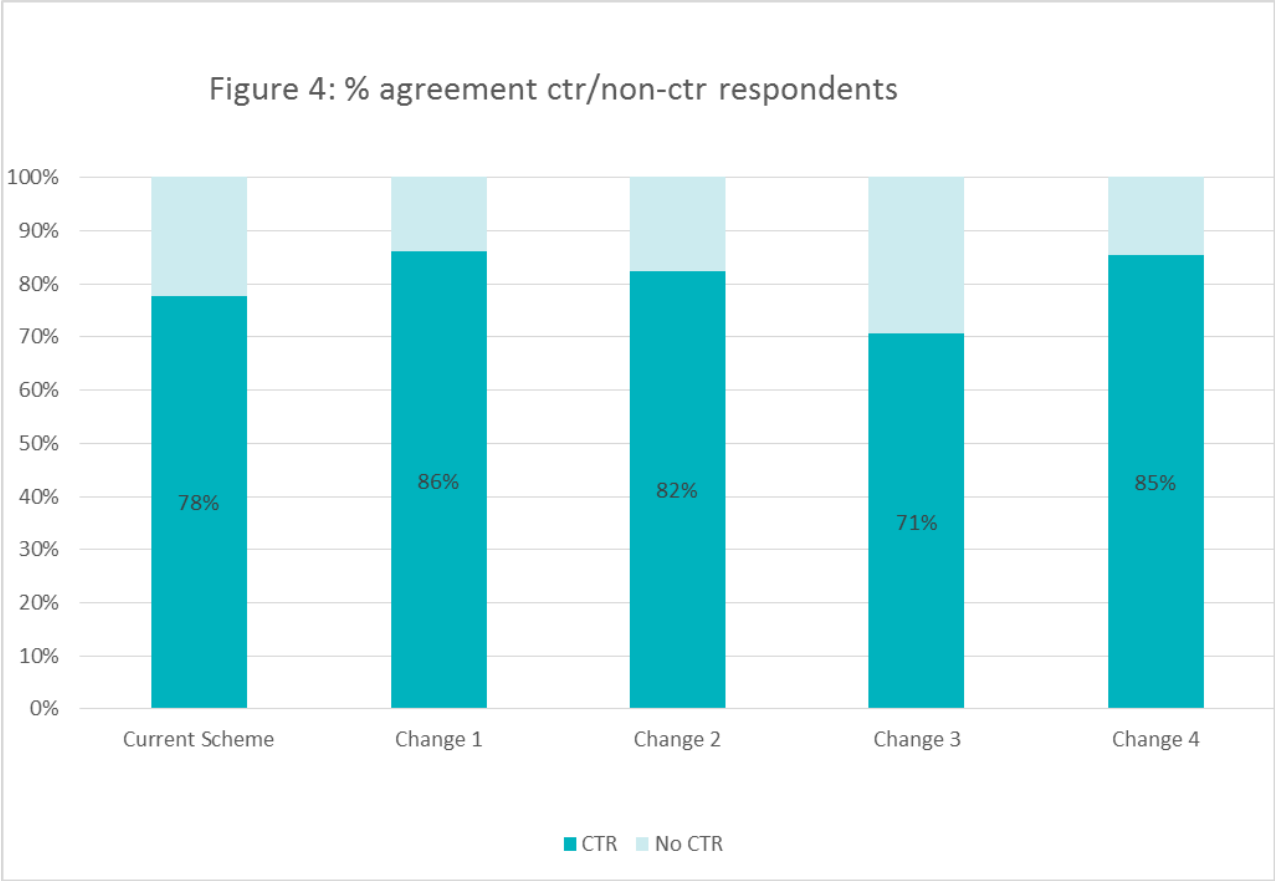
Figure 3 considers the agreement, or not with these respondents with the various changes. There are considerable levels of support across three of the four proposed changes and in the maintenance of the current scheme.



Council Tax Reduction

Less than one third (31.6%) respondents indicated that they receive CTR. Figure 4 shows the differences in agreement of the changes between those in receipt of CTR and those not.

- Respondents from both cohorts were shown to be least likely to agree with Change 3
- The greatest discrepancy in views between the two cohorts was around Change 4 with a gap of ten percentage points

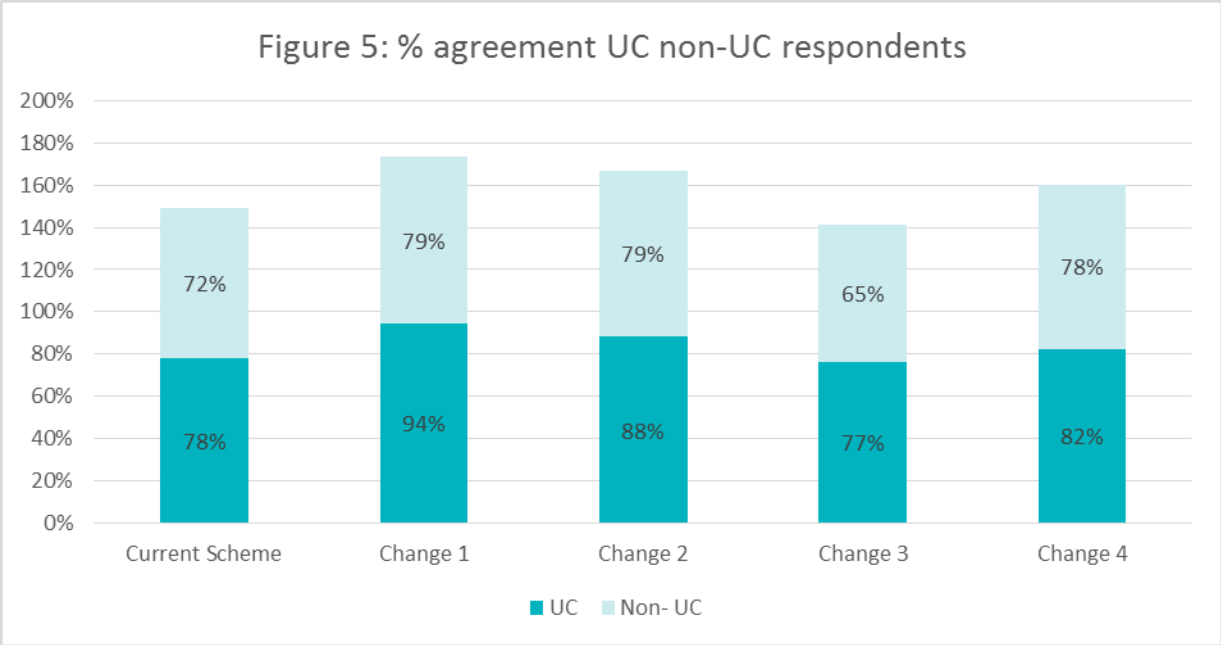


	CTR Respondent (no)	Non- CTR Respondent (no)
Current Scheme	**36**	**77**
Change 1	**36**	**78**
Change 2	**34**	**76**
Change 3	**34**	**77**
Change 4	**34**	**77**

Universal Credit

Overall, only 18 (15.8%) of respondents stated that they are in receipt of Universal Credit (UC). Figure 5 shows the differences in agreement of the changes between those in receipt of CTR and those not.

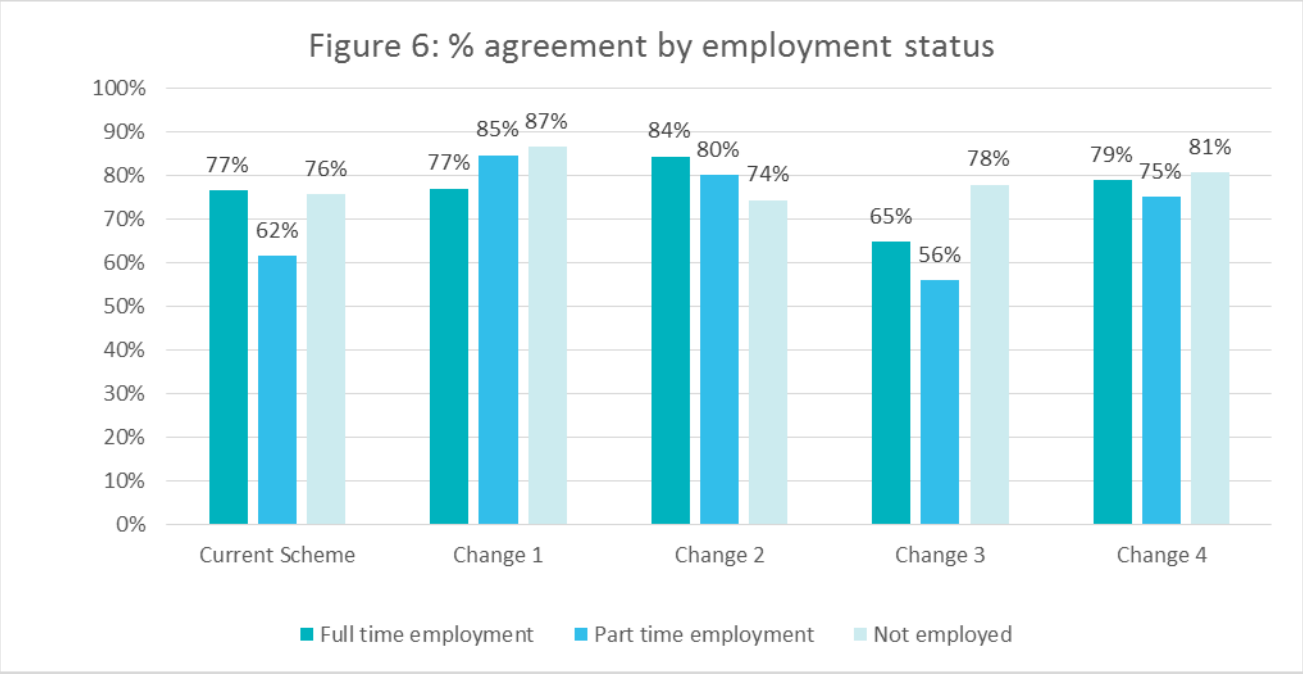
- For those in receipt of UC, respondents were most likely to agree with change 1 and least likely to agree with change 3.
- For those not in receipt of UC, again the highest levels of agreement came for change 1 (Q2) whilst agreement was lowest with change 3.
- The greatest discrepancy in levels of agreement between the two cohorts came with change 1.



	UC Respondent (no)	Non- UC Respondent (no)
Current Scheme	**18**	**95**
Change 1	**18**	**96**
Change 2	**17**	**93**
Change 3	**17**	**94**
Change 4	**17**	**94**

Employment

When asked if they work, (Figure 6) most commonly respondents indicated that they were in either full time (45%) or part time employment (23%) and almost a third indicated that they do not work. Figure 6 provides a comparison of the views of these different cohorts across the Changes laid out.



Respondents in part time employment were least likely to agree with plans to maintain the current scheme as well as changes 3 and 4

Only two thirds of full-time workers agreed with change 3. This contrasted with approaching 80% of those not in employment

Equalities

Ethnic Group

Over 80% respondents were White British; numbers for other ethnic groups were too low to provide meaningful analysis.

Age

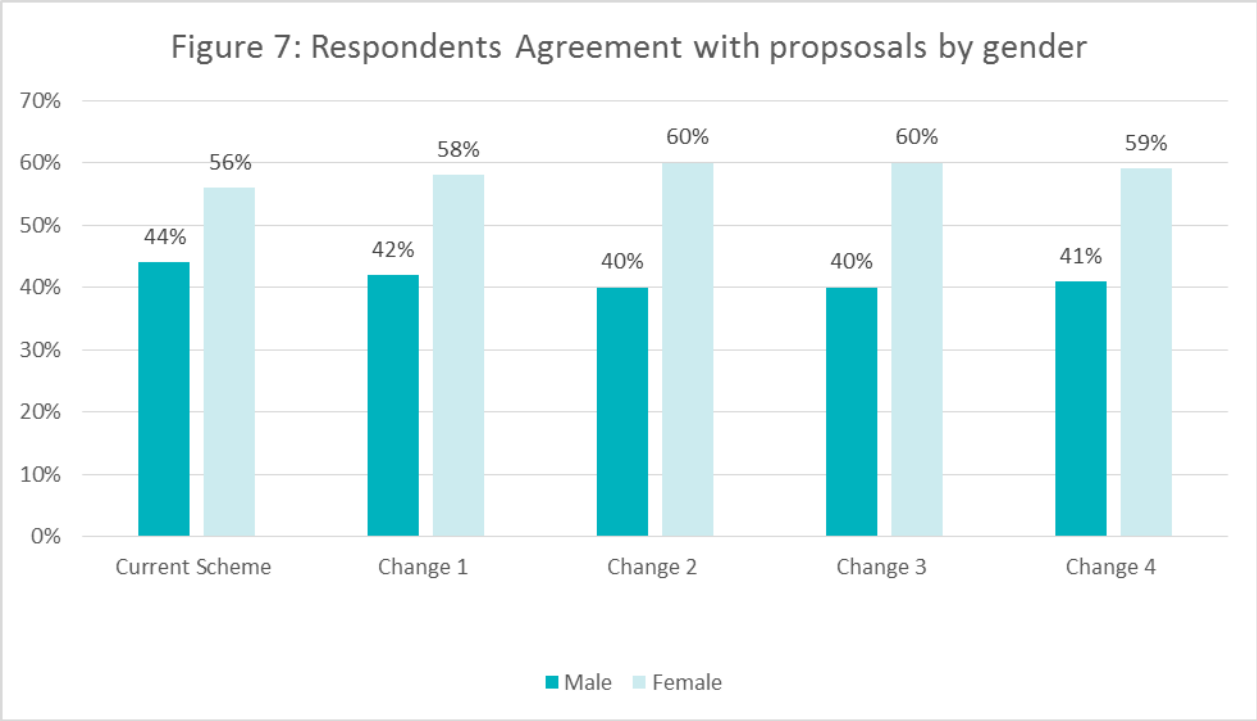
Table 1 provides a summary of those which agree with changes by age group. Due to the low number of responses by those aged 16 to 24, figures have been redacted.

Table 1: Agreement with Changes by broad age group Age range (number of respondents)	Current Scheme	Change 1	Change 2	Change 3	Change 4
	% Agreement with Changes				
16 to 24 (n3)					
25 to 34 (n23)	61%	78%	82%	65%	82%
35 to 44 (n24)	67%	75%	71%	57%	70%
45 to 54 (n25)	92%	92%	96%	65%	89%
55 to 64 (n26)	77%	89%	77%	72%	69%
65 + (n14)	57%	71%	67%	69%	85%

Gender

53% respondents were female and 41% male. 6% preferred not to state their gender. The findings indicated here are based where the respondent's gender is known. Figure 7 considers how, if at all, the views of male and female respondents differed.

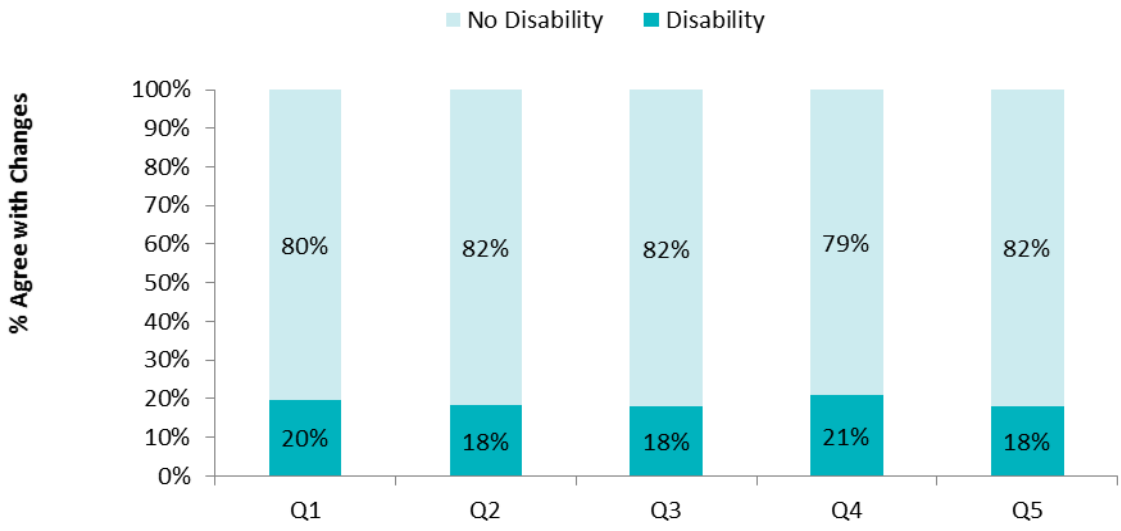
- Female respondents were considerably more likely to agree with the changes laid out for CTR in 2019/20 than male respondents.
- The greatest discrepancy in views came in change 3(Q4) where a gap of 20.6 percentage points existed.



Disability

Only 18 respondents indicated the presence of a disability (15%). The findings indicated here are based where the respondent's disability status is known. Figure 8 shows a distinction in levels of agreement with the changes between those stating a disability and those not.

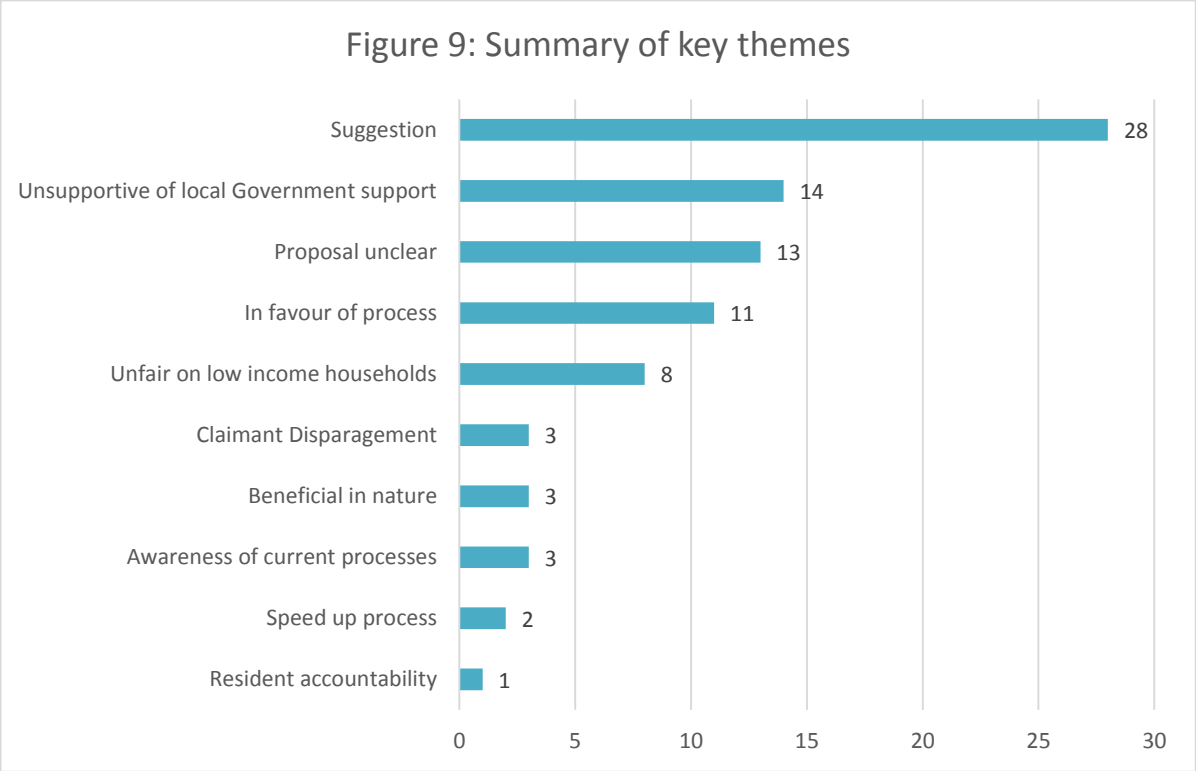
Figure 8: Respondents Agreement with propsosals by disability



	Disability (no)	No Disability (no)
Current Scheme	**18**	**95**
Change 1	**18**	**96**
Change 2	**17**	**93**
Change 3	**17**	**94**
Change 4	**17**	**94**

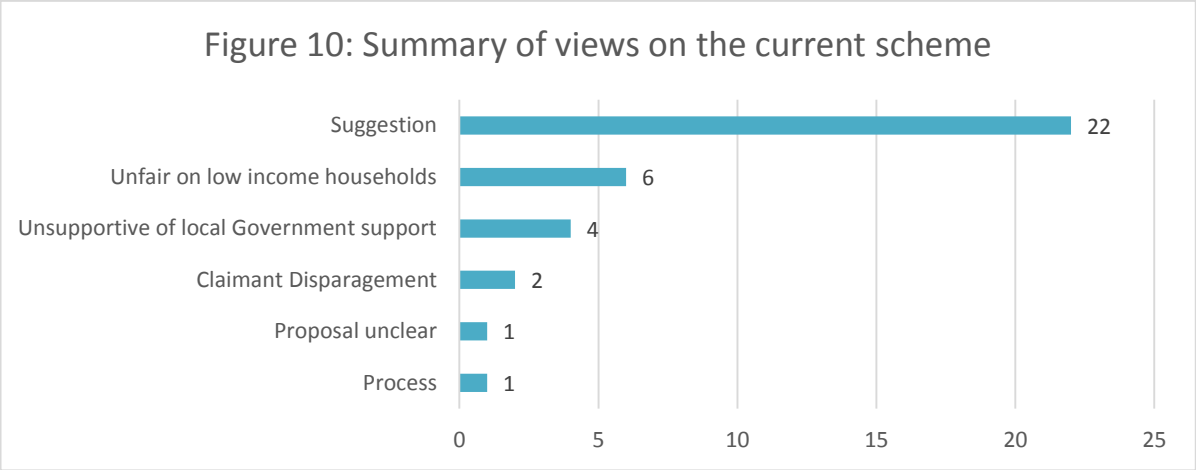
Section Three: Residents Views

Section three focuses on the comments received from Oldham residents on the proposed changes to CTR in 2019/20. A total of 86 comments emerged from residents. Over 45 (50%) were in support of one or more changes. Figure 9 shows the key themes that emerged across the five changes.



The Current Scheme

36 residents provided extra narrative to their response to this question. Of these 10 were in favour of the Change and 24 were not. Figure 10 shows the key issues emerging from respondents. It shows that most respondents were keen to share their ideas around the scheme, most commonly the level of discount being too high (n9) or too low (n3).



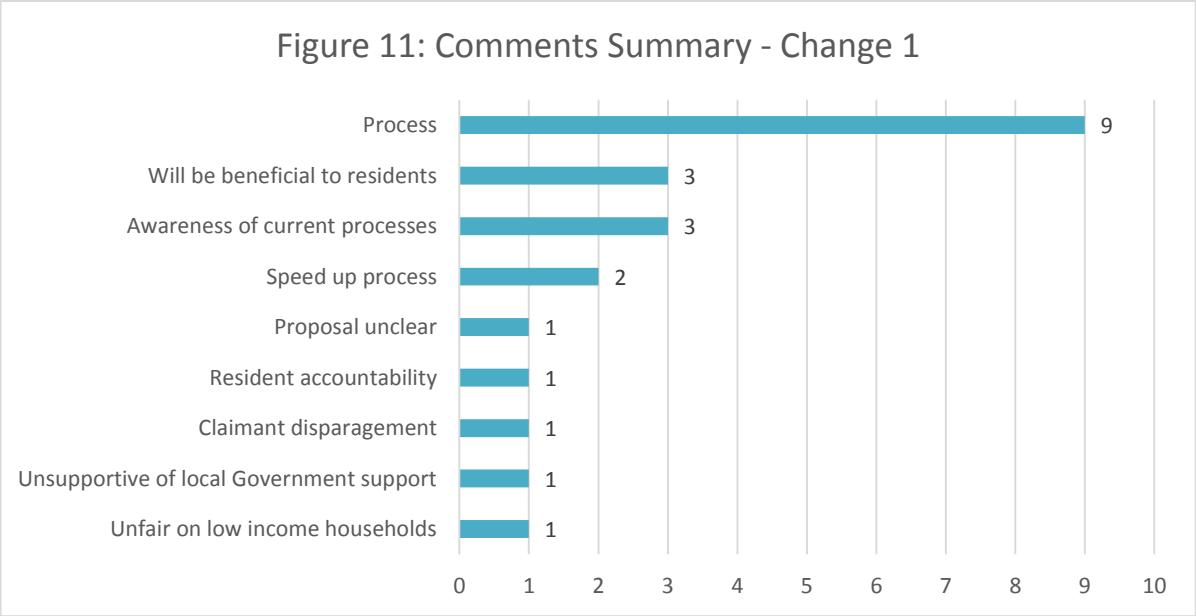
By paying a small charge towards Council tax it encourages responsibility and financial budgeting, *female, 45-54 Full time employed*

Far too cheap, unfair on full time working families! Why should we pay more and have use of the same services? Male, 25-34 Full time employed

I feel that people that don't get benefits that struggle on low incomes should be the area that is supported more and helped rather than the long term unemployed. *Female 35-44, Full Time employed, Chadderton*

Change 1 – Making a CTR claim (UC claimants)

22 residents provided extra narrative to their response to this question. Of these 10 were in favour of the change and 6 were not. Figure 11 provides a summary of these comments

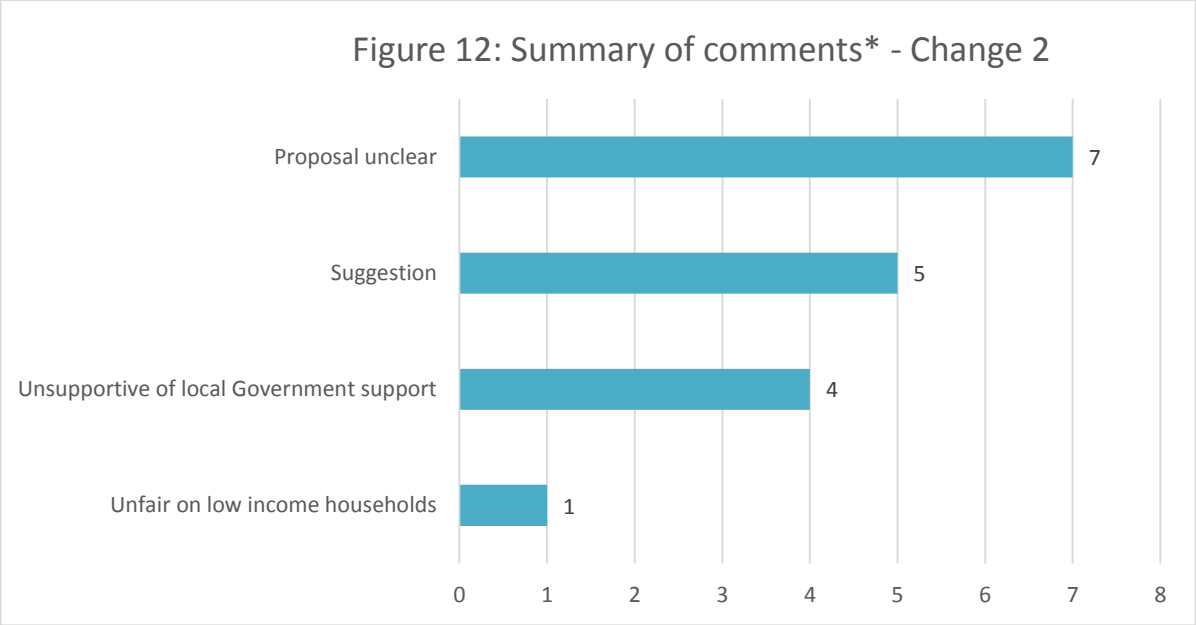


I think it's an excellent idea as a resident and a front-line worker in the Third sector I see the misery and stress it causes due to lack of information and people assuming this has automatically been applied for as it was when making a Housing Benefit claim in the past*.* *Female, 45-54 Full Time employed*

This would make more sense for all parties if they are still given this amount of benefit for council tax and I am sure more cost effective when dealing with applications *Female,35-44 Full time employed, Chadderton*

Change 2 – Earnings Disregards

21 residents provided extra narrative to their response to this question. Of these 10 were in favour of the Change and 10 were not. Key themes are extracted in Figure 12



*not all 21 comments are included in the themes in Figure 12

Figure 12 shows that most commonly respondents were unclear about the change, with respondents raising questions about the impact on those who are disabled, families without children and the favourable impact on lone parents. One respondent also noted that it was unclear if the level of disregard offered mirrored those stated by the national Government

Should be the same for everyone. Again! Kids get more but childless adults are discriminated against. If you can't make it fair? Then don't bother. *Male, 25-34, Full Time employed, Royton*

I don't know if the disregard mirrors the Government's, but it would be easier all round if it did. *Female 65+ Saddleworth and Lees*

I would have supported this Change except for one thing - I don't see why a Lone Parent should get £25 disregard.... This should be £5 the same as a single person. Lone parents already get the relevant 'benefits' for themselves and their child(ren) as per their personal situation. *Female 65+ Royton*

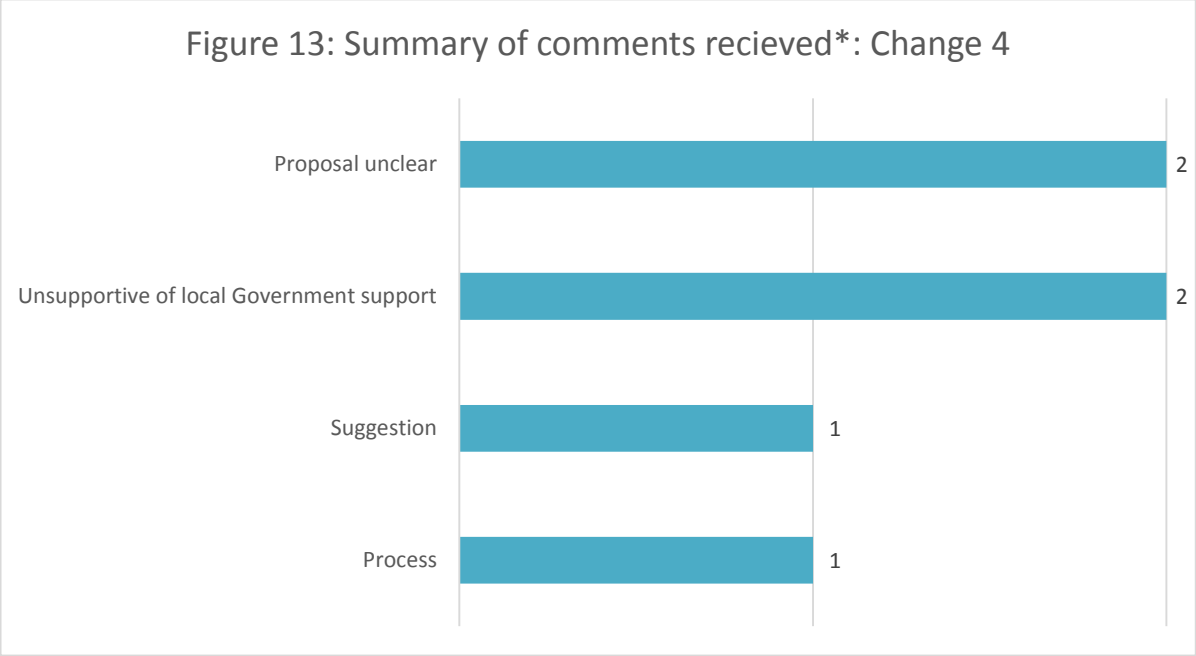
Change 3 – Housing Costs

8 residents provided extra narrative to their response to this question. All but one comment received was from respondents in favour of the Change. Of these, three were unsupportive of local government assisting with Council Tax payment and two felt the Change was not clear.

The change isn't clearly defined here, but if the change is what you currently do, then I agree with the change. I don't see why you should increase the amount of CTR some claimants are entitled to (Oldham needs every penny of Council Tax it can get!!) *Female 65+ Royton*

Change 4 – Income disregards

7 residents provided extra narrative to their response to this question. Of these, 4 were in favour of the Change and 3 were not. Figure 13 provides a summary of the key themes emerging.



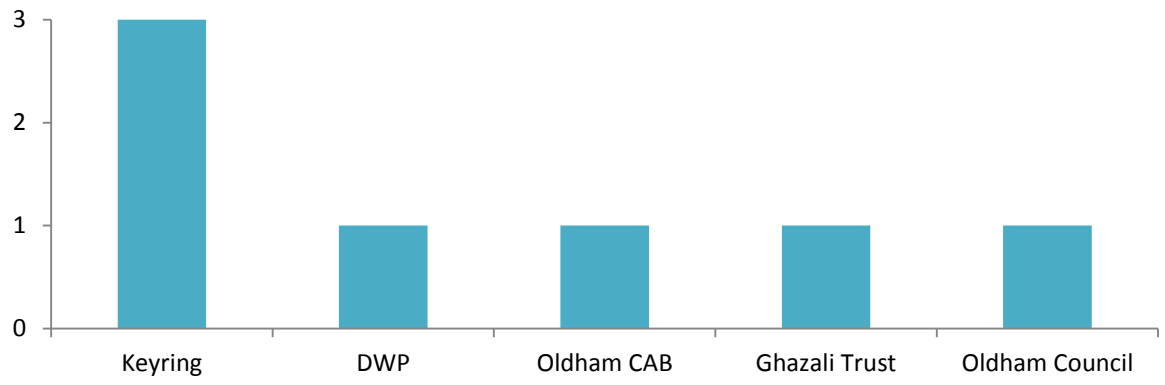
*not all 7 comments are included in the themes in Figure 13

[1] This is likely due to the technical nature of the content. Because of the complex nature of the way Council Tax Reduction is setup, it is extremely difficult for non-Council Tax experts and professionals to understand and engage with the content.

Section Four: Organisations

A total of 7 representations were received from 5 organisations (Figure 14). Given the low number of responses, section 4 of this report will focus on the qualitative feedback received.

Figure 14: Responses recieved



The Current Scheme

All but two organisations responding agreed that Oldham Council should maintain the current scheme. The following comments were received:

- ***I support this proposal as we support a lot of vulnerable adults to live independently. The majority of adults we support would not be able to pay their full Council Tax and would end up with debt and court cost***

- ***The people I support rely on this deduction to make ends meet. Paying Council Tax is difficult enough for some people on benefits, some people are taken to court for non-payment adding additional costs.***

- ***Band A should have more relief as they are often earning a lot less and struggling to meet basic needs to run their households.***

- ***Agree maximum award 85% (If no scope to increase), but do not agree restricting to a Band A charge, should be 85% of that person's banding. It does not make sense that they would have to pay £215pm for living in a Band H property which is 67% of their UC standard allowance.***

Change 1

All responding organisations agreed with this change. The following comments in support were received:

- ***This will protect the vulnerable who are most likely not to claim their entitlement.***

- ***The separation of UC and CTCS now does not work and leaves people confused and in debt with their council tax as they automatically presume that the CT runs alongside UC***

- ***This would greatly assist claimants as not all are aware that there needs to be a separate claim for CTR resulting in loss of benefits and a debt.***

- ***Particularly useful for vulnerable claimants who would find it difficult to make the claim.***

Change 2

All responding organisations agreed with this change. The following comments in support were received:

- ***This incentive will help people earning the minimum wage. We will be encouraging in-work progression the disregard will help people transition as they increase their pay. I assume when they earn above the threshold taking them off Universal Credit there will be a process to remove the disregard.***

- ***I do agree with this proposal but could be too complicated***

- ***This will support people in work on low incomes***

Change 3

All but one respondent agreed with change 3. The one respondent in disagreement indicating that the change may be difficult to understand.

Change 4

All responding organisations agreed with this change.

Section Five: Summary

Following other similar exercises and the experience of other Local Authorities conducting consultation on CTR schemes, it was anticipated that the consultation would not receive a high number of responses due its technical nature. This proved to be true with only 129 responses received; a third of whom were in receipt of Council Tax Reduction. The overall response to all changes, including the maintaining of the current scheme has been positive, particularly with those who currently pay Council Tax. The lower number of responses and comments received indicated that participants were less clear around changes 2 and 3.

Section Six: Mitigation

Based on the feedback received from this consultation exercise, a list of issues and questions has been included for response in the mitigation log below

Who You are asking - Stakeholder Group e.g. Residents, businesses, service users etc.	How information is received e.g. via questionnaire, focus groups, letter, phone call, email etc.	Feedback (if possible specific details, including any concerns about the Changes)	Further explanation
Residents	Questionnaire	Low levels of response	Extensive levels of media coverage reaching c.10,000 residents.
Residents	Questionnaire	Inaccessible to those without internet	Residents able to take part using hard copy questionnaire at Access Oldham
Residents	Questionnaire	Changes unclear	All changes went through several revisions before publication. The technical nature is unavoidable
Residents	Questionnaire	Changes are unfair on low income working families "Why should we pay more for the same services?"	The proposed changes are all aimed at increasing CTR entitlement. In particular, the earnings disregards proposal is designed to support those who are working and on a low income
Residents	Questionnaire	Council Tax in Oldham is too high	Maintaining the 85% scheme aims to ensure that the maximum

			award of CTR remains comparatively high (in comparison with other local authorities CTR schemes)
Residents	Questionnaire	Change one: Include others who are excluded due to being on the bottom of threshold for no universal credit. Make it individualised.	CTR is calculated on a means tested basis so those with lower levels of income are taken into account when assessing benefit
Residents	Questionnaire	Change one: Are checks in place to ensure only the right people are getting CTR.	All claim go through an assessment and checking process to ensure the correct CTR is awarded
Residents	Questionnaire	Change Two: it is unclear whether people would be better or worse off than at present. Illustrative examples would have been helpful.	Examples are included in the Equalities Impact Assessment (EIA) Those in work will be better off if the changes are adopted.
Residents	Questionnaire	Change Two: Only helps those who qualify for tax credits and reductions	The proposal supports those who are in work as some of their earnings are disregarded (i.e. not taken into account) when assessing entitlement
Residents	Questionnaire	Change Two: How does this impact on disabled residents who cannot work	This proposal is specifically aimed at supporting those in work. There are other adjustments to UC in place as a result of a claimant's limited capability for work.
Residents	Questionnaire	Change Two: Does the change reflect disregard outlined by the Government	The change reflects the earnings disregards in place for HB and other non UC CTR claims
Residents	Questionnaire	Change Two: Why do lone parents receive higher levels of disregard than single person	This replicates the earnings disregards in Housing Benefit and supports those in work looking after children in lone parent households

Residents	Questionnaire	Change Three: Unfair on UC claimants who already have limited finances	This change increases entitlement and only affects a limited number of people
Residents	Questionnaire	Change Four: All calculations should be shown	Due to its technical nature, it was difficult to express this simply in a sample calculation
Residents	Questionnaire	Change Four: Streamline guidelines to mirror the Governments	The proposal suggests doing just this.
Residents	Questionnaire	Change Four: What changes are proposed for those who are exempt due to SMI	A Council Tax exemption applies if you are severely mentally impaired.

Stage 1: Initial screening

Lead Officer:	Caroline Lee
People involved in completing EIA:	Caroline Lee Yvette Maguire
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 An EIA on the 2013/14 scheme accompanied the scheme for approval to Council on 12 December 2013. An EIA was also completed for the review of the scheme for 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19. This EIA is for the scheme for 2019/20 onwards.

General Information

1a	Which service does this project, policy, or proposal relate to?	This proposal relates to the Council Tax Reduction (CTR) scheme which is the responsibility of the Revenues and Benefits service within the Finance Directorate. The CTR scheme is administered by the Unity Partnership Ltd on behalf of the Council.
1b	What is the project, policy or proposal?	The proposal is the approval of Oldham's CTR scheme for 2019/20 onwards. From 2013/14, all Local Authorities were placed under a duty to agree a localised Council Tax Support Scheme for those of working age at full Council to replace Council Tax Benefit (CTB) by 31st January 2013. Previously, the CTB scheme was administered nationally. There was additional complexity in developing a scheme given that the resource envelope, in which we had to deliver any scheme, was 10% smaller than the funding we had received to cover CTB the previous year. The Councils desire was to ensure the scheme was self-financing to ensure no additional burden to the financial position of the Authority. The scheme was calculated to generate an amount of funding that when taken alongside the direct grant

		received and additional income from technical reforms made the scheme viable. The CTR element of this calculation works on the basis of a presumed collection rate. There is an obligation within existing the legislation (Local Government Finance Act 2012) on the Council to consider whether to review this scheme on an annual basis. If the Council wants to revise the scheme, any revised scheme for 2019/20 no later than 10 March 2019. For Oldham, this is the 27 February 2019 Budget Council Meeting. The Council made a change to the Council Tax Reduction Scheme in 2015/16 increasing the maximum reduction awardable from 80% of the Band A rate of Council Tax to 85%. That meant an extra £53.43 per year for someone who is entitled to the maximum award. This was agreed by Full Council in December 2014. Since 2015/16, apart from updated prescribed changes to the CTR scheme, there have been no further changes.
1c	What are the main aims of the project, policy or proposal?	There are three key aims of the proposals: 1. To continue to use a scheme that is affordable. As at January 2019, 85% of claimants have made some payment towards their 2018/19 bills suggesting a collection rate of approximately 80%. Weekly monitoring of the collection rate is being maintained to manage the risk of non-collection. One perceived risk is that claimants begin to find it harder to make payments as the Government's welfare reform agenda progresses. If the amount of disposable income claimants have to meet Council Tax and other financial commitments reduces, this could have the impact of increasing the risk of arrears from those who are currently paying their Council Tax. The Authority continues to face significant challenges in order to balance the budget in 2019/20. We are therefore once again looking to maintain a local scheme that is affordable and balances the impact of welfare reforms against the cost of providing a local Council Tax reduction scheme. We are acutely aware that shortfalls in Council Tax collection mean creating a budget pressure that has the potential to require further savings to be made from

		within Council services. 2. To continue to use a scheme that limits the financial impact across all Council Tax Reduction recipients. The protection of pensioners must be kept in place in line with the current national scheme, and the cost of doing this needs to be aligned with our need to protect vulnerable groups and provide incentives to work. Whilst not providing a specific definition for vulnerable groups, the Government did advise that Authorities should consider their duties under specific legislation when designing a scheme, namely: The Equality Act 2010 Child Poverty Act 2010 The Housing Act 1996 Whilst we have no legal duty to protect people on low incomes (this was revoked in December 2010), as a borough with a number of deprived areas, Oldham still chooses to continue considering the impact of any decisions on this group. This Council continues to consider people on low incomes as part of our equality impact assessment (EIA) process. We have undertaken in-depth research into the scale of the impact of welfare reforms on Oldham and its people. A report in January 2015 on the impact of welfare highlighted the following groups as particularly vulnerable: • Single people, in particular young single people in rented accommodation • Younger people in general • Older people with disabilities. A report in August 2015 looking at the new Government proposals for welfare and tax reform (now the 2016 Welfare Reform and Work Act) showed that those not in work, especially those with children as well as lone parents overall and families with only one earner will be the most heavily affected by the latest changes. In January 2016, we looked in detail into one of the groups most affected by these reforms, namely those aged between 18-24. In September 2016, we investigated the impact of

		welfare reform on the debt and finances of local people. These findings are factored in when identifying those who are most vulnerable under the scheme. 3. To continue to maintain a scheme that will enable the Council to collect as much Council Tax as possible, whilst supporting residents to meet their payments. Early indications are that collection rates on the debt due for 2018/19 are approximately 80%. However, the impact of the roll out of the full service of Universal Credit which began on 26 April 2017 is still being felt across the borough and this could impact on CTR take up and outturn collection levels. The number of recipients of working age CTR has reduced from 16,206 when the scheme was agreed in December 2013 to 14,144 in January 2019 and this could indicate that there is less overall requirement for financial support. Once again, through this process we will endeavour to do things differently, to do things co-operatively, which will help the residents of Oldham and in doing so, enable the Council to collect the funds it needs to continue to provide services. A Council Tax Collection Strategy was launched in 2018 aimed at encouraging early payment by engaging with residents more pro-actively, identifying vulnerable people early in the Council Tax recovery process and signposting to partners and stakeholders where wider support is needed. We have also signed the CAB debt protocol supporting ethical collection methods and have partnered with the debt charity Stepchange to provide support. We have also started to use the Money Advice Service's recommended Standard Financial Statement (SFS) which standardises affordable repayment arrangements with residents.
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	The proposal for the 2019/20 scheme is to change the current support provided through the CTR scheme, on this basis there will be no disproportionate detrimental impact on equality groups from the proposal put forward. All the proposed changed either maintain the status quo i.e. maintain the maximum award at 85% of Council Tax for a Band A property or are financially beneficial to residents. The recommendations are: 1) The continuation of limiting support to a maximum of 85% of Council Tax of a Band A Property.

		2) The application of disregards for Bereavement Support Allowance and post graduate master's degree loan and special support payments in the assessment of CTR 3) The introduction of support for UC/CTR claimants including earnings disregards, use of DWP information as an intention to claim and incorporation of housing costs in the UC maximum award.

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	☐	☒	☐	☐
Particular ethnic groups	☐	☒	☐	☐
Men or women (include impacts due to pregnancy / maternity)	☐	☒	☐	☐
People of particular sexual orientation/s	☒	☐	☐	☐
People in a Marriage or Civil Partnership	☒	☐	☐	☐
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	☒	☐	☐	☐
People on low incomes	☐	☒	☐	☐
People in particular age groups	☐	☒	☐	☐
Groups with particular faiths and beliefs	☐	☒	☐	☐
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
E.g. vulnerable residents, homeless people, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces		☒	☐	

If the answer is "negative" or "not sure" consider doing a full EIA

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**
	☒	☐

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 ☐ No ☒
1h	How have you come to this decision?	The proposal for the 2019/20 scheme is to maintain the support provided through the scheme or to increase the financial help available through the CTR scheme. On this basis it felt that there will be no disproportionate impact to those with protected characteristics from the propose revision to the scheme.

Stage 5: Signature	
Lead Officer: Yvette Maguire	**Date: 20.11.18**
Approver signature: Caroline Lee	**Date: 4.1.19**
EIA review date: October 2019	

The source of all data contained within this Appendix was the live benefit database as at 4 January 2019 unless otherwise stated.

What we know about those currently claiming Council Tax Reduction?

<u>Current Council Tax Reduction claimants</u>

As of 4 January 2019, the number of claimants was 21,953

The breakdown of claims by Council Tax band is as follows:

Council Tax Band	**A**	**B**	**C**	**D**	**E**	**F**	**G**
Number of claimants	17,056	2,710	1,690	357	96	33	11

This data shows that the overwhelming majority of CTR claimants live in Band A properties. A restriction in the maximum award to 85% of those in a Band A property affects 22% of the CTR caseload some of whom will be pensioners and therefore not subject to the maximum award.

Potential impact on people of a particular age

The breakdown of claims by claimant type as at 4 January 2019 is as follows:

Type of recipient	Number	%
Pension age	7,809	35.57%
Working age - passported benefits	6,118	27.87%
Working age – UC	4,452	20.28%
Working age – other	3,574	16.28%
TOTAL	21,953	100.00%

This shows that those people of working age (64% of the entire claimant group) are adversely affected, particularly since there is a mandatory requirement to protect those of pension age. Therefore the number of claimants of working age subject to the 85% restriction is 14,144.

Impact of using DWP information about UC as a claim for CTR

This proposed action has no detrimental impact on any of the protected groups as it simply mitigates against residents omitting to claim CTR (and free school meals) separately from Universal Credit as quickly as possible in order to maximise entitlement. It is a positive move to support early entitlement to CTR for those in receipt of Universal Credit.

Impact of applying earnings disregards to Universal Credit claims

At the time of introduction of the CTR scheme in 2013, earnings disregards were not included in the default scheme (largely as a result of the generous work allowances planned for UC).

This proposal introduces some or all of the earnings disregards applicable in Housing Benefit and the non UC CTR caseload. It mitigates against the loss/reduction of work allowances to manage work incentives for UC cases.

Earnings Disregard	Weekly CTR increase	Increased CTR per annum
£5.00	£0.85	£44.32
£10.00	£1.70	£88.64
£20.00	£3.40	£177.29
£25.00	£4.25	£221.61

Impact of using housing costs in the assessment of UC/CTR

The inclusion of housing cost as income and also in the UC maximum award will in the vast majority of cases result in no change to UC/CTR entitlement. The proposed change corrects an anomaly where those (on low earnings) do

not qualify for support unless housing costs are factored into the calculation. The overall cost of implementing this results in £41k of additional CTR across the claimant base.

e.g. A single UC claimant earning £600 per month would be entitled to an extra £1.91 per week CTR, £123.13 per annum.

Impact of applying income disregards to CTR already made law within Housing Benefits

This proposal has no detrimental impact on those with protected characteristics. The change aligns changes in legislation already made in Housing Benefit to the CTR scheme. All result in a disregard of income that will increase entitlement to CTR. This change affects a minimal number of residents and is estimated to cost less than £10k in 2019/20

Impact on those on low incomes

The impact of Universal Credit has on levels of Council Tax Support will, for the most part, be on working households.

As of August 2018 (latest available figures) Oldham West and Royton UC roll-out was 31% complete in terms of the number of households claiming UC compared to “legacy” benefits. 5,770 households claimed UC of which 40% were households with children and around 13,000 claimed “legacy” benefits.

As of August 2018 (latest available figures) Oldham East and Saddleworth UC roll-out was 34% complete in terms of the number of households claiming UC compared to “legacy” benefits. 5,280 households claimed UC of which 43% were households with children and around 10,000 claimed “legacy” benefits.

Impact on those with a disability

Of the 14,144 working age claimants, 5,687 (42.05%) have a disability premium within their benefit calculation. Whilst this indicates that the individual or child within the household is considered to have some form of disability, it does not tell us the nature or extent of the disability. The proposals included in the scheme for 2019/20 do not negatively impact on those with a disability. Those with a limited capability for work but who are working or carers will benefit from the earnings disregard of £20 per week.

Collection rates

As at 4 January 2019, the collection rate for CTR customers was 70.05% as opposed to 67.74% as at 5 January 2018, which indicates that people are paying and the payment provisions in place are sufficient.

Recovery Activity

Of those claimants who received Council Tax Reduction in 2018/19 3,964 accounts are now subject to recovery action, which has decreased since 2015/6 where 7,752 accounts were in recovery.

The breakdown below shows those accounts broken down by property band.

2015/16

Band	A	B	C	D	E	F	G	Total
Number	6,569	690	369	89	22	10	3	7,752

2016/17

Band	A	B	C	D	E	F	G	Total
Number	6,457	678	329	80	21	8	2	7,575

2017/18

Band	A	B	C	D	E	F	G	Total
Number	5,595	579	302	75	19	5	4	6,579

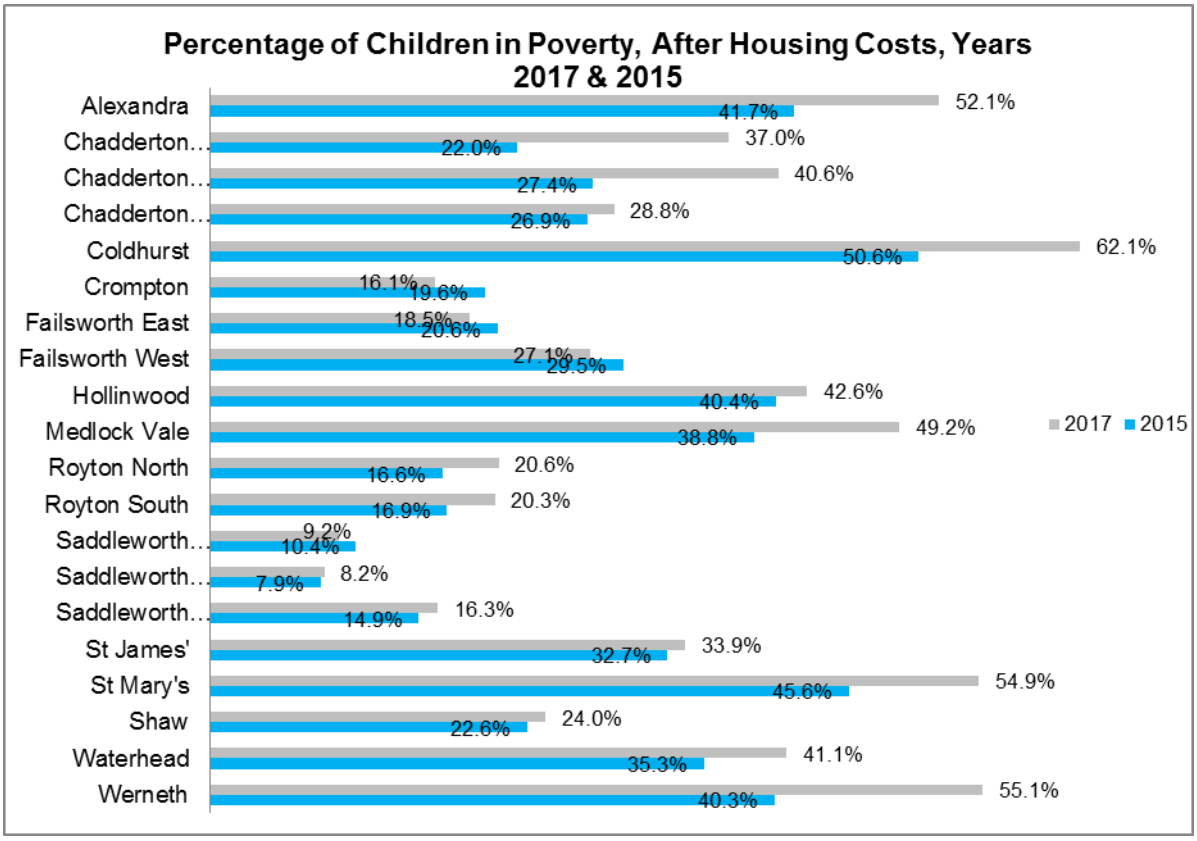
2018/19

Band	A	B	C	D	E	F	G	Total
Number	3,367	336	201	45	12	2	1	3,964

These figures are proportionately in-line with the overall number of claimants in each band, which indicate that since the local CTR scheme was introduced people in higher bands are not finding it more difficult to pay than those in lower bands.

Other financial impacts

- Oldham child poverty by ward In 2017, 40.7% (24,425) of Oldham children are living in poverty after taking into account housing costs.
- This has increased from 33.0% in 2015
- 16,369 (27.3%) Children are living in poverty if housing costs are not taken into account
- Coldhurst Ward has the highest level of child poverty (62.1%)
- Lowest levels of child poverty are in Saddleworth South (8.2%)
- Oldham has the 7th highest level of child poverty in the UK
- Two-thirds (64%) of children growing up in poverty live in a family where at least one member works



Causes of Child Poverty:

One of the most significant hidden cuts to support for children through the benefits system in recent years has been the repeated reductions in support relative to the rising costs of living, either through below-inflationary increases (such as a three-year 1 per cent cap on increases in benefit rates from April 2013).

Until recently, the local housing allowance, which determines the amount of Housing Benefit for people renting in the private rented sector, was based on average rents and was increased in line with rises in local rental prices. This ensured that as local rents rose, people were still able to afford to live and work in their own communities.

The rate of the maximum local housing allowance was reduced from the 50th percentile to 30th percentile meaning that the maximum rent which can be covered by Housing Benefit for those renting privately has been substantially reduced. As a result of this (and other changes), local housing allowance rates now bear little relationship to typical local rents.

As families migrate to Universal Credit there will be some households that will lose entitlement to Council Tax Support. By introducing earnings disregards in the Council scheme this will help to redress the balance.

Appendix (i) to EIA

A number of actions identified in developing the 2019/20 scheme were intended to mitigate the impact of CTR and the wider welfare reform, below are the actions with an update under each.

Activity	Update
Continue to promote existing flexible payments method	Through a range of difference communication channels External:- • Social media (Facebook and Twitter) • Website and web banner • Council Tax information • Media release • Promotion on revenues and benefits letters • Call waiting message • Residents Magazine • Early text reminder Internal communications:- • Articles in Team Brief • Councillor and staff briefing
Review effectiveness and take up of current payment methods and introduce new payment options where appropriate	As at 4 January 2019, the collection rate for CTR customers was 70.05% as opposed to 67.74% as at 5 January 2018, which indicates that people are paying and the payment provisions in place are sufficient. Residents can elect to pay Council Tax over a range of payment dates 1st, 8th, 15th and 22nd of the month Residents can pay online, by 24/7 telephone touchtone payments, at Post Offices and Payzone outlets A fortnightly direct debit was introduced in 2013 to help customers manage their finances.
Continue to deliver energy switching campaigns and auctions	The Warm Homes Oldham service offers energy switching advice to residents in their homes. The service also offers heating and insulation upgrades, support with fuel debt and income maximisation, and other activities to reduce energy bills.
Identify and establish referral arrangements to a wider range of support services	We refer to Step Change national debt charity when residents have wider debt issues than Council Tax. We have also used the Personal Budgeting Support team (PBS) to support residents with money management and debt advice.

Activity	Update
Further develop the Welfare Rights Service to support residents to maximise their income	One of the key actions for Oldham Council's Welfare Rights Service in 2018/19 has been ensuring a consistent and targeted approach towards communicating with service users through greater proactivity and enhanced partnership working, in order to increase public engagement with the service. 1. Increase uptake of welfare benefits and raise awareness of the Welfare Rights Service 2. Help tackle poverty and improve health and wellbeing amongst the most vulnerable groups A number of potential communications initiatives have been identified which are primarily designed to increase awareness of the team's presence and will contribute to increased public engagement which includes: • Regular activity to publicise changes to benefit rules • Direct liaison with DWP link officers when resident vulnerability has been identified resulting in loss of financial support • Regular activity to publicise success stories • Increased social media efforts • Support for increased number and quality of public engagement sessions • Support for increased partnership working with potential resulting communications activity • Stronger links with public health initiatives to encourage residents to become more independent and manage their own health more proactively In addition, the service has developed and produced 'Make The Most Of your Money' packs, which are being distributed at community events and we have produced a quarterly newsletter which is distributed to our stakeholders. The team has continued to be successful and has again this year exceeded its target of £1million income generation, and has generated additional income for the residents of Oldham of over £2.29 million as at 31 December 2018.
Work with partner organisations to provide targeted support to residents	An Information and Advice working group is in place, delivering coordinated action in partnership with the

Activity	Update
	Council, DWP and the voluntary sector Strong links are in place with DWP including co-location of Benefit officers in the Job Centre to ensure take up of CTR and free school meals (these need to be claimed separately from Universal Credit) The Council signed the CAB debt protocol in 2018 supporting ethical collection methods. More integrative work is planned over the coming year including managing the migration of Universal Support to the CAB from the Council and debtor engagement/ mediation with CAB pilot pre-committal action.
Continue to monitor the collection rates on a weekly basis	This allows swift action to be taken if collection slows. Oldham has introduced SMS texting to remind people at an early opportunity (pre- first reminder) to pay on time. It is anticipated that this will improve collection and result in higher conversion to payment by direct debit.

Continue to monitor the wider impact of welfare reform ensuring effective partnership working continues to support those affected
Identify and support those affected by the future changes to welfare reform, particularly the benefit cap and Universal Credit
	• A Greater Manchester (GM) workshop was held in November 2018 to fully assess impacts of UC roll out on CTR and to consider potential changes to the GM schemes from 2020/21. The changes considered included:
	  ○ Introducing a fixed income period for CTR UC claims - claims could be reassessed every three months or six months at a flat rate regardless of changes to the customer's income over that period. Extensive modelling will need to be carried out to determine the costs and benefits of implementing such as scheme and the impacts on CTR administration and the customer.
	  ○ Introducing a 'tolerance' within the scheme to allow for multiple changes. This would continue with the current CTR scheme but changes to entitlement which would increase or decrease entitlement below an agreed level would not affect the award of CTR. The Council would need to decide the level of tolerance to apply within its scheme
	  ○ Introduction of banded schemes. The current scheme could be replaced with one that creates a banded level of support across a wide income range.

Activity	Update
	This would potentially create cliff edges in CTR awards which would need to be worked through. For all the schemes under consideration from 2020 onwards, much more detailed work would be required to determine • The optimum level of banded/tolerance in a new scheme • Impact on claimants • System functionality • Costs of scheme • Impact on collection Additional work has been carried out to compare the current "as is" approach to UC/CTR in work claims across Greater Manchester.
Get Oldham working initiatives	The Council continues to encourage people into work Key achievements for Get Oldham Working between May 2013 and 31st March 2018 have included: 7,845 work related opportunities created. 7,252 job opportunities created and 5,791filled. 1,155 apprenticeships created and 918 filled. 330 traineeships created and 298 filled. 1,173 work experience placements created and 1,047 filled
Undertake an annual review of the Council Tax Reduction scheme	The scheme will continue to be reviewed on an annual basis

Appendix (ii) to EIA

No	Action	Required outcomes	By who?	By when?	Review date
1	Continue to promote existing flexible payments method	Increase collection rates Increased take up of direct debit following text reminder exercise	Revenues and Benefits Manager	December 2018 - text reminders in place	April 2019
2	Review effectiveness and take up of current payment methods and introduce new payment options where appropriate	Increase collection rates More flexible options available – promotion of 12 month direct debit options at annual billing	Client Revenues Manager (Exchequer Client)	April 2019	July 2019
3	Warm Homes Oldham to continue to provide support with energy bills and related issues	Strong links with Welfare Rights team and Personal budgeting support team to maximise support across the three teams	Benefits and Welfare Rights Manager	Integrated support in place from December 2018	Jan 2020
4	Identify and establish referral arrangements to a wider range of support services	Maximise access to support for residents through Welfare Rights and CT collection strategy Includes CAB Step Change Use of Standard Financial Statement	Benefits and Welfare Rights Manager	April 2019	July 2019
5	Further develop the Welfare Rights Service to support residents to maximise their income	Ensure the Council can provide help and assistance to those who experience difficulties thus linking support to outcomes from the Public Health Transformation Agenda. Undertake benefit	Benefits and Welfare Rights Manager	April 2019	August 2019

		checks and refer residents for budgeting support and debt advice. Signpost to MECC support – Healthy Minds etc			
6	Work with partner organisations to provide targeted support to residents	Early identification of residents affected by Welfare Reform changes allows support to be put in place at the earliest point	Benefits and Welfare Rights Manager	April 2019	August 2019

7	Continue to monitor the collection rates on a weekly basis	Maximise collection rates and take swift action if collection slows Implementation of Council Tax collection strategy aimed at encouraging early engagement	Head of Revenues and Benefits	On-going	December 2019
8	Continue to monitor the wider impact of welfare reform ensuring effective partnership working continues to support those affected	Early identification of residents affected by Welfare Reform changes allows support to be put in place at the earliest point. Advice and Information group liaison	Benefits and Welfare Rights Manager	April 2019	August 2019
9	Identify and support those affected by the future changes to welfare reform, particularly Universal Credit	Early identification of residents affected by Welfare Reform changes allows support to be put in place at the earliest point Membership of GM welfare rights group and GM Mental Health Welfare Rights advisors group	Benefits and Welfare Rights Manager	February 2019	August 2019
10	Review approach to debt collection by the Council	Increase collection rate across all debts. Agree more affordable payment arrangements with residents Implement Council Tax collection	Client Revenues Manager (Exchequer Client)	On-going programme from August 2018	December 2019

		strategy actions (6 commitments focussed on early engagement/ Identification of vulnerability).			
11	Link to Get Oldham working initiatives	Reduced number of unemployed Increase support for those in work through earnings disregards for UC claimants	Head of Lifelong Learning, Employment and Skills Service	June 2019 April 2019	September 2019 August 2019
12	Undertake an annual review of the Council Tax Reduction scheme	The scheme is reviewed in light of information gathered from the performance indicators and welfare context recommendations for changes are put to Council. Report to Council recommending any changes to the scheme.	Head of Revenues and Benefits	June 2019	December 2019
13	Identify how the breadth and quality of the data collected can be improved	A stronger, more robust and comprehensive data base. Introduction of Revenues software to support targeted debt collection approach taking into account needs of residents	Head of Revenues and Benefits	April 2019	December 2019

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Report to Council

Revenue Budget 2019/20 and Medium Term Financial Strategy 2019/20 to 2023/24

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

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Ext. 4902

27 February 2019

Reason for Decision

This report presents to Council the forecast budget gap and the Administration's budget proposals for 2019/20 together with forecast budget gap estimates for the period 2020/21 to 2023/24 having regard to the Provisional Local Government Finance Settlement published on 13 December 2018 and subsequent Final Local Government Finance Settlement published on 29 January 2019.

Executive Summary

This report sets out proposals for the Council's Revenue Budget for 2019/20 and Medium Term Financial Strategy for 2019/20 to 2023/24. The report advises Members of the key financial challenges and issues which will be faced by the Council over the forecast period and sets out the Administration's revenue budget proposals for 2019/20 together with updated budget gap estimates for the period 2020/21 to 2023/24.

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

- The UK's economic outlook published alongside the Chancellor's Autumn Budget Statement;
- Key aspects of the Local Government finance system including developments surrounding the Government's Fair Funding review and Business Rates retention reform including the Greater Manchester 100% Rates Retention Pilot Scheme together with information on the pooling of Business Rates for 2019/20;
- National and Regional policies affecting Local Government including Public Sector Pay awards and the National Living Wage, Health and Social Care Devolution, Better Care Fund, Winter Pressures and Social Care Support Grants, Opportunity Area Funding, Homelessness, Adult Education Funding and the GM Spatial Framework; and
- Local strategies and policies relevant to the Medium Term Financial Strategy including the Oldham Plan and Corporate Plan, Capital and Treasury Management Strategies as well as a range of other strategies covering, for example income generation, property, procurement and housing.

The report also highlights policy announcements and implications arising from the Chancellor's Autumn Budget Statement delivered on 29 October 2018, the Provisional Local Government Finance Settlement (PLGFS) published on 13 December 2018 and the Final Local Government Finance Settlement published on 29 January 2019.

The Settlement and associated announcements confirmed one-off grants announced in the Autumn Budget (Winter Pressures Grant of £1.122m and Social Care Support Grant of £1.917m). No specific additional funding was provided to address rising concerns in relation to ongoing funding for statutory Children's Social Care services, although the Council will use the Social Care grant to support the increased spending requirement in this area. The settlement also included £0.013m more grant resources than had been anticipated in the initial budget projections and a £0.978m share of a £180m surplus on the National Rates Levy Account which will be paid in 2018/19 but used to support the 2019/20 budget.

This additional funding has made a contribution towards reducing the Council's budget reduction requirement for 2019/20. However, when looking at the resources available for future years, baseline funding levels and associated top up grant payments are assumed to continue to fall in line with reductions over recent years, leading to challenging targets for 2020/21 and future years.

The Settlement confirmed referendum limits for general Council Tax increases. The Government will permit rises of 3% per annum for 2019/20 and the Police element of the Mayoral precept can be increased by up to £24 for 2019/20 without triggering a referendum. In addition there is no limit on changes to the Mayoral General Precept (which includes Fire and Rescue Services). The proposed 2019/20 budget reflects a continuation of Oldham

Council Tax policy which allows for a 1.99% general Council Tax increase, which is clearly below the maximum available.

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

The Council's total Council Tax increase for 2019/20 is proposed at 3.99% which is below the referendum limit of 5%.

Three consultation papers were published alongside the 2019/20 Settlement. The consultations were in regard to:

- the 2019/20 Provisional Settlement
- reform of the Business Rates Retention system
- a review of Local Authorities' relative needs and resources.

Oldham Council has responded to all consultations in line with the required deadlines.

The starting point for preparing the 2019/20 revenue budget estimates is the Month 8 2018/19 revenue budget forecast outturn position which was approved by Cabinet on 11 February 2019 and summarised in Section 6.

Section 7 of the report details key budget adjustments and expenditure pressures underpinning the forecasts that provide the backdrop for the Council's Medium Term Financial Strategy. Key adjustments include:

- £8.031m for Adult Social Care to cover the passporting of Adult Social Care Precept revenues, Improved Better Care Fund (iBCF) grant and the 2019/20 Winter Pressures Grant;
- £4.611m for demand pressures in Children's Social Care;
- Pay Inflation of £1.884m following a national review of Local Government pay spines;
- £0.878m Contractual Inflation for non-controllable services and contracts;
- £0.750m to provide a continuation of commissioned Early Help services for 2019/20 (after a Dedicated Schools Grant contribution of £0.350m approved by Schools Forum on 17 January 2019); and
- £1.534m for issues identified through the Council's rigorous budget monitoring processes, together with new business developments.

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

Based on the latest estimates, the budget reduction requirement for 2019/20 has increased from the previously reported figure of £17.986m to £21.916m. This increase is due to a range of changes to the estimates which are set out in detail in Section 11 of the report.

Section 12 of the report details the Administration's budget reduction proposals. There are a total of 35 proposals delivering savings of £7.829m in 2019/20. If approved in full, these proposals further reduce the budget reduction requirement to £14.087m for 2019/20.

In order to remove the requirement for further spending reductions, the 2019/20 budget will be part financed by using the opportunities provided by the ability to use Capital Receipts to

support spending on transformational projects up to a value of £3.000m and from an available Collection Fund Surplus of £2.269m. Section 13 explains the approach to balancing the 2019/20 budget by using a number of specific and corporate reserves as follows:

- £0.250m of reserves approved as part of the budget setting process in 2016/17;
- £1.825m of returned resources from the GMCA in relation to a surplus arising from the 100% Business Rates Pilot scheme;
- £0.978m arising from the payment in 2018/19 relating to the National Business Rates Levy Account;
- £0.500m from gains made from the 2017/18 100% Rates Retention Pilot;
- £1.218m from gains anticipated from the 2018/19 100% Rates Retention Pilot;
- £0.157m from the Waste Smoothing Reserve to reflect the increased 2019/20 GMCA Levy – Waste Disposal element; and
- £3.890m from Corporate Reserves.

Approval of the proposals set out in this report in full by Budget Council would deliver a balanced revenue budget for 2019/20. The budget reduction requirement for subsequent years is forecast to be £22.871m for 2020/21, £10.889m for 2021/22, £6.859m for 2022/23 and £4.160m for 2023/24.

It is important to note that as the Government has only provided grant funding notifications for 2019/20, the MTFS estimates for 2020/21 to 2023/24 are based on the best information currently available and therefore must be considered indicative at this stage. This leaves significant uncertainty and it hinders effective planning by the Council both financially and operationally as future Government funding intentions are difficult to assess. This position and the actions that the Council plans to take forward the MTFS are outlined in Section 19 of the report.

Other key sections in the report summarise the forecast reserves and balances position supporting the Council's financial resilience, set out the Administration's proposals in relation to Fees and Charges and detail the Council's Pay Policy Statement (as required by sections 38 to 43 of the Localism Act 2011).

The presentation to Council for approval of the Revenue Budget 2019/20 and Medium Term Financial Strategy 2019/20 to 2023/24 is the final stage of the budget process. The information the report contains has already been subject to detailed scrutiny, review and consultation where appropriate.

On 24 January 2019, the Overview and Scrutiny Performance and Value for Money Select Committee (PVFM), scrutinised the 2019/20 Revenue Budget report and the Select Committee was content to commend the report to Cabinet without additional comment. At its meeting on 11 February 2019 Cabinet accepted the recommendations of the PVFM Select Committee and were content to commend the 2019/20 Revenue Budget report to Council.

A further meeting of the PVFM Select Committee took place on 5 February 2019 to consider budget amendments put forward by the main Opposition Party. Whilst the PVFM Select Committee did not accept the budget amendments it did recommend two actions for inclusion within the 2020/21 budget setting process. Cabinet was content to make such recommendations to Council and information in this regard is included at paragraph 19.35 of this report.

Recommendations

That Council approves:

1. The national and regional policy landscape determining the context in which the Council is setting its revenue budget for 2019/20 and Medium Term Financial Strategy to 2023/24;
2. The impact of Oldham Council Policies and Strategies on the Council's budget setting process and the development of its Medium Term Financial Strategy;
3. The financial forecasts for 2019/20 to 2023/24 having regard to the Local Government Finance Settlement and associated funding announcements;
4. The key issues to be addressed in continuing to respond to the financial challenges facing the Council;
5. The 2019/20 Budget Reduction Proposals at a value of £7.829m;
6. The proposed use of £4.928m of reserves for specific purposes and £3.890m of corporate reserves to balance the 2019/20 budget;
7. The proposed fees and charges schedule included at Appendix 4;
8. The pay policy statement included at Appendix 5;
9. A proposed Council Tax increase of 3.99% for Oldham Council services resulting in the Band D charges set out at paragraph 17.3 and Table 22 of the report and in detail at Appendix 9;
10. A proposed increase to the empty property premium from 50% to the maximum 100% allowed from 1 April 2019;
11. The proposal to draw on the Collection Fund for major preceptors of £107.695m for Borough Wide services of which £92.090m is for Council services;
12. The proposed expenditure budget for 2019/20 for the Council of £224.112m; and
13. Revised estimated budget reduction targets of £22.871m for 2020/21, £10.889m for 2021/22, £6.859m for 2022/23 and £4.160m for 2023/24.

Revenue Budget 2019/20 and Medium Term Financial Strategy 2019/20 to 2023/24

1 Background

1.1 Each year, the Council has to identify what it needs to spend on Council services for the following year as part of the budget setting process. This process also involves the identification of provisional spending plans for future financial years. This ensures the Council's future spending plans are balanced against the expected funding from Government, Council Tax payers and Business Rates payers. These plans form part of the Council's Medium Term Financial Strategy (MTFS). This report advises Members of the current financial position having regard to the national and regional policy landscape and following publication of the Provisional and Final Local Government Finance Settlements (LGFS) on 13 December 2018 and 29 January 2019, associated funding announcements and the Administration's proposals for balancing the 2019/20 budget, including Council Tax intentions.

1.2 The MTFS is designed to build on the work and achievements of previous years and to help meet the challenges of the future. It is one of the key strategic plans of the Council. The strategy sets out the Council's proposed revenue spending plans for 2019/20 and the four years to 2023/24 and the key factors which will influence the financial forecasts.

1.3 At the same time as considering the financial challenges facing the Council it is important to consider the Council's commitment to the co-operative way of working. Based on a set of values and the principle of enabling and motivating everyone to "do their bit", this shapes and influences the policy direction of the Council and its response to the financial challenges.

1.4 As an organisation, a co-operative approach provides the opportunity to find positive and sustainable solutions to the on-going financial challenges being faced. Oldham has a values driven approach which underpins the way it does business. The Council believes in the importance of fairness and responsibility. In practice, that means maximising the positive social, economic and environmental impact that can be achieved through everything we do as set out in the Council's values. From procurement practices to the pay policy, the Council is using its influence as a commissioner, service provider, facilitator and employer to deliver that added social value.

1.5 Additionally, Council services continue to be re-designed and innovative, alternative commissioning models developed. This is to ensure that all our services, whether delivered in-house or with partners, strive for excellence and provide value for public money, getting the maximum impact for Oldham and its people for every pound spent. This change process also responds to the financial challenges being faced and assists the Council in adapting to local demands, national and local political priorities, regional (especially in regard to health and social care integration) and technological developments.

1.6 Since becoming a Co-operative Council in 2011 the Council has made fundamental changes in how it works with residents, businesses and partners.

1.7 This involves recognising shared challenges and agreeing mutual ambitions and all partners working together to identify what each can contribute to obtaining better results. In this way it means that everyone does their bit and everyone benefits.

1.8 The Oldham delivery model is based around three fundamental shifts which work together to deliver the ambitions of the Oldham Plan. These are: Inclusive Economy, Thriving Communities and Co-operative Services.

1.9 In considering these shifts it is important to have regard to the following information:

Inclusive Economy: The Council wants Oldham to be a place where everyone has a fair and real chance to improve their own lives.

- Oldham is currently home to around 6,240 businesses spanning a range of key sectors including health, advanced manufacturing, construction, retail and financial and professional services.
- Oldham has improving educational attainment. More than 43 per cent of the population have a degree, diploma, A/AS level or apprenticeship.
- The borough offers a wide variety of school types from small rural settings to large urban schools. It has high-quality buildings with many new or recently-built facilities following a £137 million investment, with more to come.
- The arrival of Metrolink has significantly improved transport connectivity within the borough. It has increased the appeal of Oldham to skilled and higher-earning commuters and has linked residents in many areas historically poorly-served by public transport with employment, retail and leisure destinations throughout the conurbation.
- The Get Oldham Working (GOW) scheme has helped create almost 9,200 work-related opportunities - including more than 6,250 jobs, 1,300 apprenticeships, 320 traineeships and more than 1,250 work experience placements.

Thriving Communities: The Council wants local people and communities to be healthy, happy and able to make positive choices as well as offering and accessing support when needed.

- Oldham has a population of more than 230,000. The total population within a 30-minute drive time is 2.7 million.
- Around a quarter of the borough is within the Peak District National Park.
- Oldham's 32 parks include Alexandra Park, a 78-acre green space with Grade II status from English Heritage and – alongside Dunwood Park in Shaw – holds a prestigious Green Flag Award for international-standard facilities and conservation.
- For shopping, Spindles Town Square offers a range of High Street retailers and the Tommyfield Market (which is one of several across the borough) consists of an indoor and part-time outdoor market and adjacent units which have more than 115 businesses.

Co-operative Services: The Council aims to have the best public services in Greater Manchester that work together to improve ways of living for our residents.

- Oldham Council has a strong voice in Greater Manchester for Inclusive Growth and is developing key employment sites for new jobs and investment.
- The Council's aim is to ensure all our young people are school ready, work ready and life ready and that all education performance indicators are at or above the national average by 2020. The Council is delivering these ambitions through the Oldham Education and Skills Commission.
- Building an integrated health and care system with partners to support healthy choices and challenge inequalities – backed up by outstanding leisure centres and sporting opportunities for all.
- Supporting new high-quality and aspirational housing to broaden choice alongside our affordable homes.
- The Council is committed to protecting the environment through schemes that are empowering communities to improve where they live and encouraging investment in clean power and jobs as the Council delivers new facilities across our borough.

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

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

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

1.13 Some of the highlights of 2018/19 include:

- In September 2018 the Council re-opened the doors of the newly-refurbished Link Centre. The building now provides accommodation for a range of groups and services that support those most in need with ground floor, accessible meeting spaces as well as housing a range of health and social care services.
- The Council launched the corporate and political Voice of the Child priority in 2018, to improve the way the Council listens to and acts upon the 'voice' of all children and young people to better shape and improve services.
- Oldham Council is one of five Local Authorities in the North West to pilot the Department for Education's National Assessment and Accreditation System (NAAS). The NAAS allows social workers to demonstrate expertise against a nationally recognised standard and it will ensure vulnerable children receive the expert, high quality support and protection they deserve.
- Investment into Oldham schools is improving the emotional and mental wellbeing of children and young people. Capitalising on the Department for Education choosing Oldham as one of the 12 Opportunity Areas (OA) it is receiving a total investment of around £72 million to boost opportunities, learning and social mobility.
- Through the 'Big Conversation' the Council engaged with over 200,000 residents face to face and digitally about the improvements being made to health and social care services.
- More than 1,000 people have engaged with the Fit for Oldham programme. In addition Oldham has also received almost £0.700m to help make it easier for people in communities to access sport and physical activity by encouraging collaboration between a wide range of local organisations.
- In July 2018 the Council launched 'The Big Green Survey', Oldham's biggest ever environmental survey of residents, designed to give residents their say on key green issues such as wildlife, parks, food growing, clean energy and air quality.
- In December 2018, Cabinet approved a strategy to work towards becoming a single-use plastic free Council promoting the use of non-plastic recyclable alternatives.
- The Council won the 2018 Best City award for Bloom and Grow, the ninth year in succession that it has won this award.
- Oldham Libraries were shortlisted for best 'Heritage, Museum, Library and Education Partnership Award' for their project 'Brought to Book', funded by the Heritage Lottery Fund. This project was delivered in partnership with Oldham Local Studies and Archives, Oldham Coliseum Theatre, Leeds University and Holy Cross Primary School.
- The Oldham Lifelong Learning Service (OLLS) service enrols around 4,200 learners each year and has an overall qualification achievement rate of 95.5%, with 98% of learners saying they are likely to recommend it. OLLS was graded as Outstanding in its last Ofsted report.

1.14 A number of key stakeholders are integral to supporting the Council in providing services and delivering successes. The Council has regard to the various agencies and organisations and the linkages they have to the Council's financial planning process and also the impact of the financial planning process on these key stakeholders.

Consideration of the 2019/20 Revenue Budget:

1.15 The presentation of the Revenue Budget 2019/20 and Medium Term Financial Strategy 2019/20 to 2023/24 (budget report) to Council for approval is the final stage of the 2019/20 budget process. The information contained in the report has already been subject to detailed scrutiny, review and consultation where appropriate.

1.16 On 24 January 2019, the Overview and Scrutiny Performance and Value for Money Select Committee (PVFM), scrutinised the budget report and the Select Committee was content to commend the report to Cabinet without additional comment.

1.17 At its meeting on 11 February 2019 Cabinet accepted the recommendations of the PVFM Select Committee and were content to commend the budget report to Council.

1.18 It should be noted that a further meeting of the PVFM Select Committee took place on 5 February 2019 to consider the budget amendments put forward by the main Opposition Party. Whilst the PVFM Select Committee did not accept the budget amendments it did recommend two actions for inclusion within the 2020/21 budget setting process. Cabinet was content to make such recommendations to Council and information in this regard is included at paragraph 19.35 of this report.

2 Medium Term Financial Strategy (MTFS)

2.1 The purpose of the MTFS is:

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

2.2 The MTFS is an assessment of the Council's current financial position and a determination of the financial position the Council wishes to be in over the medium term. This report has been prepared over a five year timeframe 2019/20 to 2023/24 to align with the Capital Programme and the Housing Revenue Account (HRA). However, given the uncertainty around future funding streams as outlined later in the report, it concentrates in detail on the financial position for 2019/20 and 2020/21.

2.3 This MTFS enables the Council to plan how it can secure the delivery of essential public services, but also makes sure it is in a sustainable position to do so over the medium term and beyond.

2.4 The MTFS considers:

- Relevant international, national and regional influences on Oldham Council.
- Local factors which influence policy within the Council including the Administration's priorities of regenerating the borough and creating jobs.
- The impact of Government policy and associated announcements.
- Key Council policy initiatives.

2.5 This remains a challenging time for Local Government with uncertainty around the future funding for the sector. The Oldham Efficiency Plan which the Council agreed with Government in 2016 gives a minimum funding guarantee only until the end of 2019/20.

2.6 The Government has yet to give a clear indication of funding beyond 2020/21 although there will be a Comprehensive Spending Review (CSR) issued prior to 2020/21. The CSR will set the overarching level of resources available for Public Services including Local Government and will indicate the policy direction in relation to austerity.

2.7 Although the Government has indicated that the period of austerity is concluding, without direct evidence, the assumption is that funding will decrease further in line with reductions over recent years and Councils such as Oldham that are still reliant on the Government for a significant proportion of their resources will be especially hard hit by the reductions.

2.8 In addition to the determination of the overall level of resources available for the whole Local Government Sector there will be a significant change to the funding of individual Local Authorities influenced by:

- A reform of Business Rates including a planned switch to 75% retention of Business Rates funding and the approach to resetting baselines upon which funding allocations are determined.
- A review of Local Authorities' relative needs and resources (fair funding review) which is expected to realign the allocation of resources between Local Authorities.

2.9 This report is complemented by others elsewhere on the agenda which form a core part of the Council's strategic financial framework and have a vital role to play in enabling the translation of the Council's ambition and priorities in action. In addition to this report there is:

- The Council Tax Reduction Scheme 2019/20.
- The Capital Strategy and Capital Programme which presents the Council's Capital investment ambitions and priorities for the medium term to 2023/24.
- Strategic Housing Revenue Account (HRA) estimates detailing financial forecasts for the medium term as well as setting the 2019/20 HRA budget, rent levels and service charges for the year ahead.
- The Treasury Management Strategy Statement for the year ahead, including a Minimum Revenue Provision Policy Statement, Annual Investment Strategy as well as a suite of prudential indicators.
- The Statement of the Chief Finance Officer on Reserves, Robustness of Estimates and Affordability and Prudence of Capital Investments

2.10 It is important to recognise cross cutting implications, where decisions relating to one element of the strategy have implications elsewhere. For example, capital investment decisions may carry revenue budget implications in terms of operating, maintenance or debt servicing costs. Similarly, capital investment financed by borrowing carries implications for Treasury Management as well as implications for the revenue budget.

2.11 This report revises the MTFS estimates for the period 2019/20 to 2023/24 based on local and national information including the Final LGFS published on 29 January 2019. The budget reduction requirement has consequently been revised to £21.916m as explained at Section 11 later in the report.

2.12 This report then sets out the Administration's proposals for the statutory balancing of the 2019/20 budget as per the detail set out from Section 12 onwards together with revised budget gap estimates for the period 2020/21 to 2023/24.

3 National and Regional Issues impacting on the MTFS and budget setting for 2019/20

3.1 Paragraphs 3.5 to 3.77 set out a range of significant national, regional and local issues that influence the overarching MTFS and budget setting for 2019/20. The forecasts in this report are informed by the policy landscape within which Oldham Council operates.

3.2 Since the austerity programme was first implemented in 2010 by the Coalition Government and taken forward from 2015 by the Conservative Government there have been major changes to the role of, and arrangements for, Local Authorities. This has therefore had a major influence on the operation of the Council, introducing new duties and responsibilities, at the same time reducing the resources available for the provision of services. Demand for many services, particularly the statutory functions of educational provision and adults and children's social care has also increased. These issues have therefore shaped the operational and organisational arrangements as well as the way in which the Council has allocated its resources.

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

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

Economic Growth

3.5 The latest prospects for the UK economy and public finances were set out in the Chancellor's Autumn Budget of 29 October 2018. Forecasts from The Office for Budget Responsibility (OBR) show that the medium term outlook for the UK economy has changed since the Spring Statement of 13 March 2018.

3.6 The forecast for the level of GDP growth for 2018 was revised down to 1.3% but is still higher than previous forecasts for 2019 and 2020. Growth forecasts for 2021 and 2022 remain unchanged with a 1.6% forecast for 2023. A comparison of the previous and the latest forecast is shown in the table below:

Table 1 – GDP Forecast Growth

	2018 %	2019 %	2020 %	2021 %	2022 %	2023 %
Spring Statement 2018	1.5	1.3	1.3	1.4	1.5	N/A
Autumn Budget 2018	1.3	1.6	1.4	1.4	1.5	1.6
Change	**(0.2)**	**0.3**	**0.1**	**0.0**	**0.0**	**N/A**

3.7 The OBR stated that Brexit-related uncertainty is weighing on investment growth and real household consumption remains relatively subdued. However, a loosening of fiscal policy by Government supports growth; particularly the proposed increase in NHS spending announced in June 2018.

3.8 Clearly, since these forecasts were prepared, the position around Brexit has become even more uncertain so these forecasts must be treated with some caution.

Government Borrowing

3.9 The following table shows public sector net borrowing forecasts anticipated in October 2018 compared to those announced in the Spring Budget (13 March 2018).

Table 2 – Public Sector Borrowing Forecasts

	2018/19 £bn	2019/20 £bn	2020/21 £bn	2021/22 £bn	2022/23 £bn
Spring Statement 2018	37.1	33.9	28.7	26.0	21.4
Autumn Budget 2018	25.5	31.8	26.7	23.8	20.8
Change	**(11.6)**	**(2.1)**	**(2.0)**	**(2.2)**	**(0.6)**

3.10 The expected changes in borrowing compared to the 2018 Spring Budget were based on a combination of the following:

- A higher public sector receipts forecast reflecting strong outturn data since April 2018 together with higher levels of employment across the forecast period;
- Reductions in public spending due to downward revisions to the forecasts for welfare spending, debt interest and tax litigation; and
- Measures announced in the budget which increased borrowing by £1.1bn in 2018/19 rising to £18.8bn by 2022/23.

3.11 Debt as a share of gross domestic product peaked at 85.2% in 2016/17, falling to 83.7% in 2018/19. It is forecast to fall to 74.1% by 2023/24.

3.12 Increases in Public Sector borrowing may also influence Government policy towards Local Government finances after 2019/20.

Inflation

3.13 Inflation, as measured by the Consumer Price Index (CPI) was 2.4% for September 2018 falling from 2.7% in August. The OBR anticipated at that time that CPI inflation may reduce during 2019 and the rate had indeed reduced to 1.8% for January 2019. In the medium term, the OBR expected inflation to settle a little above the Bank of England's inflation target of 2% per annum.

3.14 The MTFS includes estimates of the increase in budgets the Council requires in order to keep pace with inflation. Any unplanned inflationary pressures have an impact on the Council's purchasing power with higher rates resulting in the Council paying more for supplies and services. The rise in inflation also affects the spending profile of Oldham residents and their ability to pay Council Tax which can affect the collection rate and have a negative impact on the resources that the Council can generate through this income source.

Brexit

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

3.16 The Council, along with the rest of the country, is waiting for a “deal/no deal” decision and further information to better understand the implications for 2019/20 and future years. The Chancellor did indicate in the Autumn Budget that he may have to use his Spring Statement on 13 March 2019 (after the 2019/20 Council budget has been set) to adjust public spending allocations in the event that the financial issues arising from Brexit were more severe than expected. If this results in a change to the financial position of the Council, then Members will be advised accordingly and appropriate action will be taken.

Business Rates

3.17 Business Rates are a highly complex and volatile tax and it is exceptionally difficult to forecast movements over the short to medium term with great accuracy. Since the change to the Business Rates regime in 2013/14 and the revaluation exercise undertaken by the Valuation Office Agency (effective from 1 April 2017), much more uncertainty has been introduced into the setting of Council budgets as the Business Rates tax base is prone to significant changes and can fluctuate for many reasons.

3.18 Fluctuations in Business Rates income are also strongly linked to the performance of the wider economy. In an economic downturn there is a heightened risk of properties being left empty and lower levels of development activity. Conversely, when the economy is more buoyant, business activity and thereby rating income, can increase.

3.19 The level and timing of appeals against a rateable value are perhaps the most significant factors that can have an impact on variability in yield. Appeals are dealt with by the Valuation Office Agency (VOA) and can date back many years. Recent information highlights that appeals in Oldham covering around £45.728m of rateable value remain unresolved, the vast majority of which relate to the 2010 valuation list. Total rateable value for the Oldham Billing Area is around £157.726m meaning appeals currently affect approximately 29% of the overall Business Rates tax base.

3.20 The Check, Challenge & Appeal process introduced by Government in April 2017 has tried to incorporate a degree of consistency to the appeals submission process whilst simultaneously seeking to limit the numbers of ‘speculative’ claims. Results to date suggest the revised process is indeed reducing the number of claims that reach the appeal stage. However it is still unclear whether this is reducing the real number of appeals or just simply holding back the tide. What is clear is that greater financial provision will need to be made for individual claims that reach the appeal stage as having been through check and challenge their probability of securing a rateable value reduction is much greater than under the previous arrangements. Furthermore, some appeals that are currently being considered elsewhere in the country are effectively test cases that may set precedents which prompt a whole new wave of local appeals or straightforward rateable value reductions.

3.21 Recognising the challenges that this volatility presents, the Council has put in place arrangements to monitor Business Rates liability on a monthly basis. The output from these monitoring arrangements shows that net liability tends to reduce as the year progresses from each April. These reductions are the result of:

- Reductions in gross rates payable as outstanding appeals are settled; and
- Increases in mandatory and empty property relief as more claims are submitted and processed as the year progresses.

3.22 These trends/movements set against the base position form the basis of the forecast business rates outturn position for 2018/19 and forecast for 2019/20 and future years. The updated estimate of 2019/20 Business Rates was reported to Cabinet on 17 December 2018 and subsequently amended as explained at 3.23, 8.22, 8.23 and 9.4.

3.23 Under the current Local Government finance system introduced on 1 April 2013, local billing authorities are required to prepare and submit to the Ministry of Housing and Local Government (MHCLG) a locally determined and approved Business Rates forecast through the National Non-Domestic Rates (NNDR 1) return by 31 January each year. On 17 December 2018 Cabinet considered an estimate of the Business Rates the Council could use to support its budget in 2019/20 but, mindful of the NNDR1 submission and the potential for change, delegated the decision to vary the final Business Rates forecast and hence the Business Rates Tax Base to the Deputy Leader and Cabinet Member for Finance and Corporate Resources in consultation with the Deputy Chief Executive Corporate and Commercial Services and the Director of Finance. The NNDR1 is used to determine the 2019/20 "demand" and payment schedule for Business Rates revenues between Oldham Council and the Greater Manchester Combined Authority (GMCA) as Fire and Rescue services are partially funded by Business Rates. Under the 100% Rates Retention Pilot arrangements, Central Government no longer receives a share of Business Rates revenues. The NNDR 1 return has been duly submitted and as a consequence the anticipated Business Rates income for 2019/20 has now been confirmed. Following the Budget Statement in October 2018 there were several Business Rates related policies announced. The result of these policies has seen a reduction in the estimates for the Council's retained Business Rates but a corresponding increase in the amount of grants received in lieu of business rates. This has led to the Council's Business Rates income and compensating grants being approved under delegated decision as the final estimates differed from those presented at Cabinet on 17 December 2018 (see paragraphs 8.22, 8.23 and 9.4).

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

3.24 On 1 April 2017, the GMCA, Oldham Council and the nine other GM districts commenced a pilot scheme for the 100% local retention of Business Rates. The participants agreed to pilot full Business Rates retention on the basis that no district would be worse off than they would have been under the original '50/50' arrangements whereby Business Rates revenues are shared between Central Government and the Local Authority sector. This has become known as the 'no detriment' principle. Under the pilot scheme, additional rates income is offset by reductions in other funding streams such as the Revenue Support Grant (RSG) and Public Health grant. In its first year of operation, the pilot scheme delivered financial benefits for its participants and £0.500m of one-off pilot scheme resources from 2017/18 will be used to support the 2019/20 budget. In addition, Oldham's share of these benefits in 2018/19 is forecast to be £1.218m; a sum which will also be used to support the 2019/20 budget position. The 2019/20 financial year will be the last year of the pilot scheme given that 75% Business Rates Retention will operate from 2020/21. However, it is hoped that in its final year the pilot will continue to deliver similar fiscal benefits as well as deliver significant economic benefits for the GM region and for the Oldham locality. A sum of £1.413m is currently assumed to support the budget in 2020/21.

3.25 From the Government's perspective, the primary purpose of the pilot was to develop and trial approaches to manage risk and reward in a Local Government finance system that included the full devolution of Business Rates revenues. However, Government plans have changed with a 75% Business Rates Retention Scheme being introduced from 2020/21. Lessons learned from the pilot scheme will inform the design of the new arrangements.

3.26 The pilot scheme for full business rates retention has created further impetus for working jointly across the Combined Authority area. The pilot scheme continues to provide an opportunity to develop new initiatives for cross-authority working in terms of business rates administration and also as part of the growth agenda to attract new businesses to Greater Manchester for the benefit of the region as a whole, as well as individual districts.

3.27 It is difficult to predict to what extent the continuing pilot scheme and whether the subsequent changes to the Local Government finance regime will be of longer term benefit to Oldham Council. Fair funding and systems design national reviews have continued during 2018/19 but the work programme is still ongoing. One of the consultation papers issued alongside the 2019/20 Provisional LGFS to which a response has been submitted sought views on the approach to measuring the relative needs and resources of Local Authorities with the aim of determining the new baseline funding allocations for 2020/21.

3.28 However, whether a reformed system (as mentioned at paragraph 2.7) will provide a more sustainable and stable platform for future Local Government finances remains to be seen. Oldham Council's Finance Service continues to participate in discussions at a Greater Manchester level with regard to the pilot and provides direct input and support to long-established MHCLG/Local Government Association (LGA) working groups as well as supporting the work of the Special Interest Group of Municipal Authorities (SIGOMA) and other established networks.

GM, Cheshire East & Cheshire West and Chester Councils Business Rates Pool 2019/20

3.29 Members will recall that Oldham has participated in Business Rates pooling since 2015/16. The aim of pooling is to retain the benefits of any Business Rates growth within the pool for the benefit of all participants. Following the submission of an expression of interest in pooling for 2019/20, the MHCLG, alongside the Provisional LGFS, asked Councils to confirm their membership of the pool. In 2018/19 the pool for Business Rates included all ten GM districts and Cheshire East and Cheshire West & Chester Councils. The 2019/20 pool will continue with the same member authorities.

3.30 The business rates pooling proposition is such that no Local Authority should be worse off by pooling than it would be if it did not pool. Therefore, if there is any growth in business rates as a result of the economic regeneration activity planned within the borough, the Council would be able to keep its share of that benefit, also benefiting from a share in any levy payment that any levy paying Authority in the pool would normally pay to Central Government.

3.31 The fact that Greater Manchester is piloting full Business Rates retention, suggests participating in Business Rates pooling is no longer necessary as there are no additional financial gains to be made. However, participating in such a pool improves the 'no detriment' position of each district in the unlikely event that the 100% pilot scheme fails to derive any fiscal or economic benefits. On 17 December 2018, Cabinet therefore delegated the final decision on the Council's membership of the proposed Greater Manchester, Cheshire East and Cheshire West & Chester Business Rates Pool for 2019/20 to the Cabinet Member for Finance and Corporate Resources in consultation with the Deputy Chief Executive - Corporate and Commercial Services and the Director of Finance. A final decision had to be made within 28 days of the receipt of the Provisional LGFS (13 December 2018) which did not accord with formal reporting cycles. A delegated decision to join the pool was taken on 10 January 2019.

National Living Wage

3.32 The Government's new National Living Wage is now enshrined in legislation meaning all workers aged 25 and over are legally entitled to earn at least £7.83 per hour rising to £8.21 from April 2019. The Council however has continued to invest in its workforce by committing to pay Council employees in line with the higher National Living Wage as championed by the Living Wage Foundation (£9.00 per hour from November 2018), so the legislative change had no direct impact on employee costs. However, the cost of externally provided services, particularly with regard to social care provision, has been significant.

3.33 The Council has made a commitment to seek national accreditation from the Living Wage Foundation with regard to adopting its National Living Wage over a three year timeframe, as confirmed in the report approved by Cabinet on 28 January 2019. The first stage in 2019/20 will be to ensure that the Council's wholly owned companies are compliant and appropriate budgetary provision is included in budget estimates. The next stage is ensuring other external service providers pay the higher value wages. The Council will work towards this over 2020/21 and 2021/22. It is likely to have significant financial implications but these are still being worked though. As a result, such costs will emerge and will be featured in later reports on the financial position of the Council.

Public Sector Pay Awards

3.34 The NJC Pay Award for 'Green Book' members of staff, effective from 1 April 2019, has been determined through negotiations held nationally between the Local Government Association (LGA) and Single Status Trades Unions; Unison, Unite & GMB. The principle feature of the pay award is a refresh of the national pay spine, where lower spinal column points (SCP's) have been merged, and some new points introduced to ensure that the SCP's are evenly spaced apart. The increase for the cost of living is at least 2% across the pay spine.

3.35 The negotiations resulted in a national Collective Agreement, resulting in the pay award being able to be applied to Local Government employees, where this is stated within their contracts (i.e. for employees of Councils who are members of the Local Government Association). For Oldham this leaves the local decision associated with the surrounding grading structure to be overlaid across the national pay spine.

3.36 The Council has proposed adjustments to the Council's grading structure to accommodate the revised national pay spine. The proposals were based on the principles of:

- No more than six increments in a grade (i.e. no more than five years of progression as advocated by the Equal Opportunities Commission).
- Either no overlaps between grades or limited to one increment.
- Every employee to receive at least a 2% increase for cost of living.
- No re-evaluation of job roles.

3.37 The proposal is being considered by the Trades Unions with negotiations ongoing, aiming to reach a collective agreement. However in advance of any final agreement the estimated impact of this pay offer has been factored into financial forecasts.

Devolution

3.38 The Greater Manchester Devolution Agreement was signed with the Government in November 2014. It brought both the decision making powers and control of finance far closer to the people of Greater Manchester. This gives them and their local representatives' control over decisions previously taken at a national or regional level.

3.39 Taking this forward the Cities and Local Government Devolution Act 2016 provided the legislative context which allowed the GMCA to assume responsibilities performed and delivered by other public bodies. The key element of this is that such assumption of powers would only be with the agreement of the public agencies involved e.g. Local Authority and Health Authority functions.

3.40 Set out in the follow paragraphs are the key issues that are shaping the devolution agenda that will affect the operational and financial environment of the Council as well as its approach to addressing financial challenges.

Health and Social Care Devolution

3.41 February 2015 saw a Memorandum of Understanding (MoU) signed between the ten Local Councils that make up the Association of Greater Manchester Authorities (AGMA), all Greater Manchester Clinical Commissioning Groups (CCGs) and NHS England (NHSE). From April 2016 Greater Manchester has taken control and responsibility for the £6bn Health & Social Care Budget and is working to deliver its own sustainable Health & Social Care system by 2021.

3.42 The areas of the Health & Social care system that are included in the agreement are:

- Acute care (including specialised services);
- Primary care (including management of GP contracts);
- Community services;
- Mental health services;
- Social care;
- Public Health;
- Health Education; and
- Research and Development.

3.43 Devolution in Greater Manchester has provided the momentum and impetus to explore how much further and faster GM can move towards realising a financially sustainable health system.

3.44 Oldham Council and the Oldham CCG have jointly developed a Locality Plan for Health and Social Care Transformation covering the period 2016/17 to 2020/21. The successful delivery of this Locality Plan will mean that both organisations have worked together and will have:

- Transformed the relationship between the population and the health and social care system, so that the public expects services to promote healthy behaviours, independence and self-care and reduces dependency on high cost or institutionalised services;
- A primary care-led, place-based health and social care system that maximises the opportunity to pool budgets, integrate commissioning, and that provides outcome-focused integrated care closer to home;
- A health and social care system that is built upon sustainable financial models;
- A workforce that has the skills and capacity to enable people to receive appropriate and timely help and support to address the root causes of health problems as well as the presenting symptoms;

- A health and social care system that recognises and supports a wider associated workforce including carers, other public sector areas such as the fire service, social housing providers, voluntary and community organisations and volunteers;
- Better service quality and improvements in the public's experience of health and social care, delivering greater efficiency, and improved health outcomes;
- Developed an evidence base about the effectiveness of resilience-focused programmes and have scaled these up across Oldham and fostered the widespread adoption of community development and asset-based approaches; and
- A systematic approach to developing community-centred approaches (including social prescribing) to health and social care, working closely with Oldham's voluntary and community sector.

3.45 On the 7 January 2019 the Government launched the new NHS 10 year plan. This reflects the same ambitions as the Oldham Locality Plan, including more out of hospital care, increased integration between health and social care and a focus on a preventative population health approach. The emerging implications for Oldham will be managed within this joint working arrangement as described below.

3.46 The integrated health economy, that incorporates Oldham CCG and Oldham Council as well as numerous provider organisations, is known as Oldham Cares. Since April 2018, Oldham Cares has operated under a joint leadership arrangement with the Chief Executive Officer of Oldham Metropolitan Council being appointed to the post of Chief Accountable Officer of Oldham CCG. A new joint governance structure has also been established that has representation from both the Council and the CCG through the Commissioning Partnership Board. The Board has delegated authority from Cabinet to make decisions in respect of the Section 75 (S.75) funds described below. This will continue in 2019/20 and allows joint decision making that will benefit Oldham as a whole. An Alliance Board has also been established, which includes the provider organisations, including, inter alia, the Northern Care Alliance and Pennine Care Foundation Trust.

3.47 Oldham Cares has entered into a S.75 Partnership from April 2018. A S.75 Partnership Agreement is made under the provisions of Section 75 of the National Health Service Act 2006 and enables funds to be pooled between the CCG and the Local Authority and enables the delegation of certain NHS and Local Authority functions to the other partner.

3.48 The Council and the CCG aim to develop Oldham Cares into an established Local Care Organisation. Whilst the final structure is still being finalised significant progress has been made on integration during the year. The two organisations have been working under the S.75 agreement mentioned above that aligns significant resources within a pooled budget. The total for 2018/19 is £135m. This is made up of £70m of Council resources and £56m of CCG resources and also includes £9m of the £21.3m Transformation Funds described below. These resources are being managed by a joint commissioning team that has brought together Council and CCG staff under a combined management structure and approach. The S.75 agreement will continue in 2019/20 and during the year will be refreshed with 2019/20 funding allocations and expanded to include new services.

3.49 Another significant achievement in 2018/19 was the establishment of Community Clusters. The clusters are aligned to newly established primary care clusters that are based on geographical areas of Oldham and that divide the population into groups of between 30,000 – 50,000 residents. Our neighbourhood social care teams have moved into the clusters and work alongside teams from Community Nursing. During 2019/20 these teams will continue to work more closely together developing ever closer working relationships.

3.50 These new operating arrangements and the alignment of budgets is enabling not only more effective service delivery, but a more effective and efficient use of both financial and staffing resources of the Council, CCG and other health partners.

Transformation Fund

3.51 In 2017 the Oldham locality successfully bid for GM Transformation Funding that is being used over the four financial years 2017/18 to 2020/2021 to facilitate new ways of working around an integrated approach. A funding award of £21.3m was made with the money being used to:

- Support people to be more in control of their lives.
- Have a health and social care system that is geared towards wellbeing and the prevention of ill health.
- Provide access to health services at home and in the community.
- Provide social care that works with health and voluntary services to support people to look after themselves and each other.

3.52 Specifically the schemes that are being supported include:

- Establishing the primary care cluster system (referred to above), across the locality, completing the establishment of integrated health and care teams and creation of single structures at a GP cluster level.
- Creating and implementing a more effective urgent and emergency care offer on the Royal Oldham Hospital site.
- Oldham's community enablement service, including community and residential reablement, rehabilitation and community bed services (including a rapid response facility).
- Avoiding admissions to hospital for the under 5's.
- Improving mental health provision in the community.
- Supporting communities to thrive, through the use of social prescribing and the innovative design of schemes to reduce loneliness and social isolation.

3.53 A number of the schemes have been trialled throughout 2018/19 and in 2019/20 they are expected to demonstrate an improvement in service and a reduction in demand for emergency and unplanned care across Oldham.

Better Care Fund

3.54 Clearly aligned to health and social care devolution, the Better Care Fund (BCF) was established in 2013 and also provides an opportunity to transform local services to better integrate care and support. CCGs and Local Authorities must jointly agree how the BCF is spent, so it is essential to ensure the deployment of resources is developed in the interests of both parties. This arrangement continues to work successfully and it is included within the structure and governance of the Oldham S.75 agreement.

3.55 Oldham's minimum BCF spend for 2019/20 is £17.083m however the Council element of this is not yet known. The 2018/19, Government minimum spend for Oldham was £16.783m which was supplemented by Oldham CCG funds of £0.320m. Therefore the total Oldham allocation was £17.103m. As a result £10.415m was passed to the Council to commission services to cover issues such as personalisation, the provision of support for carers, information advice and support and independent mental health advocacy. Funding in 2019/20 will again be allocated to the Oldham CCG and in accordance with the pooling arrangements, part of the allocation will be passported to the Council as per the BCF plan and agreement.

3.56 The BCF also includes Disabled Facilities Grant, (DFG), which is a capital grant paid directly to the Council. Allocations for 2019/20 are yet to be finalised but are assumed to be at the same level as the 2019/20 allocation (£1.914m). This grant has been included within the Capital Strategy/Programme.

Improved Better Care Fund

3.57 The Improved Better Care Fund (iBCF) was first announced in the 2015 Spending Review, and is paid as a direct grant to the Council with a condition that it is pooled into the local BCF plan and is managed jointly with the Oldham CCG. For 2019/20 Oldham will receive £8.150m which will form part of the pooled S.75 agreement.

3.58 Further to this, on 8 March 2017, the Chancellor of the Exchequer delivered his Spring Budget which included a major policy announcement relating to Adult Social Care funding in England and advised of an additional £2bn iBCF funding nationally over the years 2017/18 to 2019/20 (£1.586m for Oldham in 2019/20). The total iBCF grant for 2019/20 is £9.736m and is presented in the table below. In total £1.848m more funding is available in 2019/20 compared to 2018/19.

Table 3 – Improved Better Care Fund

Improved Better Care Fund	2018/19 £000	2019/20 £000	Difference £000
BCF Settlement 2015	4,687	8,150	3,463
iBCF Spring Budget 2017	3,201	1,586	(1,615)
Total iBCF Allocations	**7,888**	**9,736**	**1,848**

3.59 A condition of the grant is that its use is closely monitored with quarterly returns being provided to the MHCLG. This requirement has been met and there have to date been no clarifications sought by the Department.

3.60 The financial year 2019/20 is the final year for which the funding has been confirmed. There is speculation around the continuation of funding not helped by the delay in publishing the Social Care Green Paper. However for financial planning purposes the iBCF Spring Budget funding is assumed to cease at the end of 2019/20, whilst the 2015 funding totalling £8.150m is assumed to continue into 2020/21 and beyond. In view of the value of this grant, should this grant cease it would have a major impact on the MTFS, and thereby the financial position of the Council.

Social Care Green Paper

3.61 On 16 November 2017, the Government announced that it would publish a Green Paper on care and support for older people by summer 2018. The paper was to set out plans for how Government proposed to improve care and support for older people and tackle the challenge of an ageing population. Initially publication was postponed until autumn 2018 but has since been delayed once again.

3.62 The Government has stated that it is intended that the proposals that will be included in the Green Paper will build on the additional Improved Better Care Fund grant (detailed above) to reform social care and provide a long term solution to increasing demand as people live longer and the population ages. Clearly the outcome of this Green Paper will shape the financial policy landscape for 2019/20 and beyond and is therefore keenly awaited.

Winter Pressures Grant

3.63 The Winter Pressures Grant announced in the 2018 Autumn Budget and confirmed in the LGFS provides an additional £240m nationally in 2019/20 for adult social care to help Councils alleviate winter pressures falling on the NHS. The Council had already been notified of Oldham's 2019/20 allocation of £1.122m in the form of a grant which will be passported direct to Health and Adult Social Care Community Services. Its use must be agreed with NHS partners and reported to the Department for Health and Social Care.

Social Care Support Grant

3.64 Also announced in the Autumn Budget and confirmed in the LGFS was a further £410m nationally in 2019/20 for adults and children's social care in the form of an unringfenced Social Care Support Grant. This grant has been provided in response to Councils concerns with regard to pressure on adult and children's social care services and the expectation is that Councils will use the funding to meet those pressures. For 2019/20 Oldham will receive £1.917m which is helping the Council to partly offset the increased resource requirement for Children's Social Care demand following continued rises in the numbers of looked after children and out of borough placements. This is a one off resource.

Children's Social Care Programmes

3.65 Also announced in the Autumn Budget was £84m over 5 years for up to 20 Local Authorities, to help more children to stay at home safely with their families. A recent DfE report suggests Oldham has experienced a relatively large increase in the number of children subject to a child protection plan. It is hoped, therefore, that Oldham will be included as one of the 20 Local Authorities to receive a share of this funding. The LGFS confirmed the available funding however it did not provide any further detail on allocations.

Opportunity Area (OA) Funding

3.66 Oldham is one of twelve Opportunity Areas that are receiving a share of £72m to boost opportunities for young people in the community. The OA programme is a key part of the Government's priority to boost social mobility. Oldham was identified as one of the localities most challenged in this area, however it has been recognised as already having built the necessary momentum and capacity for improvement.

3.67 The Oldham Opportunity Area Plan was launched on 9 October 2017 by Justine Greening, former Secretary of State for Education. The Oldham Plan identifies three priorities which are to support parents to improve literacy at home; build high performance across the school system; and boost support for Mental Health. This work is being delivered in collaboration with the Oldham Education Partnership and the Opportunity Area Partnership Board.

3.68 As an Opportunity Area, Oldham is also receiving a share of a further £22m through the new Essential Life Skills programme. This funding is being targeted toward helping disadvantaged young people to develop life skills. To date Oldham has received £2.481m of Essential Life Skills funding.

3.69 The estimated investment into Oldham is around £10m over the life of the OA programme. The investment will be across the entire Education sector in Oldham and not all of the funding will be received by the Council. To date the Council has received £3.010m of Opportunity Area funding. Details of future allocations have yet to be received, but will be incorporated into the budget upon notification.

Homelessness

3.70 The Homelessness Reduction Bill received Royal Assent on 27 April 2017. There are many implications arising out of the new legislation. Members will recall that the details of the Act were presented in a report at the Cabinet meeting on 23 October 2017. In order to assist in addressing new responsibilities the Government has awarded grant support. In March 2018 Government confirmed to the Council that it would receive a flexible Homelessness Support Grant at a value of £0.194m in 2019/20. The Government also confirmed in February 2018 the Council would receive new burdens funding for homelessness in the sum £0.062m in 2019/20.

3.71 The grants will be passported to the homelessness service. In addition, Council resources will supplement the grants bringing resources available to a value of £1.815m.

3.72 It addition to the above in July 2018 Andy Burnham, the Greater Manchester Mayor requested that all GM Authorities seek to match his commitment to provide a bed for every rough sleeper who wants one from 1 November 2018 to 31 March 2019. As part of this scheme the Council secured funding from the Mayor's Homelessness Fund of £0.114m to provide the service at Lees Road Fire Station. Such initiatives are expected to shape homelessness strategies for 2019/20 and beyond.

Adult Education Funding Devolution

3.73 From the 2019/20 academic year, Mayoral Combined Authorities (MCAs) will take on the responsibility for the delivery of quality adult education in their local areas when adult education funding is devolved. A transitional year for MCAs has been created for the 2018/19 academic year to give MCAs time to learn the skills for success, strengthen their relationships with providers and test out mechanisms before Adult Education Budget (AEB) devolution comes fully into force.

3.74 During the transitional year, the Education and Skills Funding Agency (ESFA) will continue to manage the AEB budget nationally, and will be responsible for calculating AEB allocations and notifying all providers. The transitional year is a significant step towards devolution, giving MCAs including Greater Manchester, a greater role in shaping local area provision, to ensure a smooth transition and the continued protection of learners

3.75 Greater Manchester Combined Authority has been given a provisional devolved AEB allocation of £92.3m per annum. This will fund a number of core grant maintained providers (including the Oldham Lifelong Learning Service and The Oldham College), as well as a programme of contracted provision. The GMCA is focusing on the commissioning of the contracted services, initially, and is currently seeking to procure £20m of new activity.

3.76 It is unclear at present what, if any, impact this will have on the provision of adult education in Oldham through the Lifelong Learning Service. More detail will be provided in the lead up to the 2019/20 academic year as the changes and devolved responsibilities progress.

Greater Manchester Spatial Framework

3.77 The districts of Greater Manchester are working together to produce a joint plan to manage the supply of land for jobs and new homes across Greater Manchester. The Greater Manchester Spatial Framework (GMSF) will ensure that the right land in the right places delivers the homes and jobs needed up to 2037, along with identifying the need for supporting infrastructure (such as roads, rail, Metrolink and utility networks) required to achieve this. It will be the overarching development plan within which Greater Manchester's ten local planning authorities can identify more detailed sites for jobs and homes in their own area. As such, the GMSF will not cover everything that a local plan would cover and individual districts will continue to produce their own local plans. Nonetheless, the plan will have a significant long term influence on local revenue streams (Council Tax and Business Rates), capital investment and demand for services from local residents. In 2017 all member Authorities consulted with residents on the proposals included in the plan and following this, a second draft of the plan was released on 8 January 2019 followed by a formal eight week consultation with the public which commenced on 14 January 2019. Following this consultation will be a period of analysis which will consider the responses received from residents within Greater Manchester and other stakeholders leading to a revised plan and further consultation in the summer of 2019.

4 Oldham Council Strategies and Policies

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

The Oldham Plan and Corporate Plan

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

4.3 The Oldham Plan is based around the Oldham Model - three change platforms enabled and complemented by public service reform and empowering communities. These are set out in more detail at paragraph 1.9 and in summary are:

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

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

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

4.4 The Corporate Plan 2015-2020 was refreshed and updated to sharpen its focus and ensure alignment with the Oldham Plan and was approved by Council, alongside the Oldham Plan, in July 2017. Work on the new Corporate Plan for 2020 – 2025 will begin in 2019. The new Corporate Plan will reflect the revised Administration priorities, as well as providing stronger links with the Greater Manchester priorities.

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

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

Corporate Plan Objectives

An Inclusive Economy
where people and enterprise thrive

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

#yourbit: Supporting and promoting local businesses and ventures

#result: Oldham is open for business

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

#yourbit: Visiting the attractions and promoting them as ambassadors

#result: A regenerating and confident borough

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

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

#result: An ambitious and socially mobile borough

Thriving Communities
where everyone is empowered to do their bit

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

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

#result: Engaging and resilient communities

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

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

#result: Healthier communities

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

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

#result: Safer, stronger and striving communities

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

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

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

#result: A co-operative workforce

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

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

#result: Outcome-driven services

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

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

#result: Empowering the positive reform of public services

Co-operative Council in a Co-operative Borough

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

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

#ourbit is what Oldham Council is doing or contributing to help improve something.
#yourbit is how local people, businesses and partners are helping to make change happen.
The **#result** is how we are all benefiting from working together.

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

Capital Strategy

4.10 The Council has traditionally followed best practice and prepared a Capital Strategy. However, in 2017 CIPFA issued revised Prudential and Treasury Management codes which require Councils to prepare a Capital Strategy from 2019/20 and include specific elements. In the context of Oldham the style and content of the Capital Strategy has been amended to ensure compliance with the codes.

4.11 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 major regeneration developments within the Town Centre and borough-wide, to ensure that new school buildings and extensions are delivered as well as ensuring that the highways network and corporate estate are adequately maintained.

4.12 The proposed Capital Strategy and programme for 2019/20 to 2023/24 take the essential elements of the 2018/22 and previous years' strategies and programmes and moves them forward in the context of the financial and political environment for 2019/20. Capital spending is a key determinate of future revenue commitments so the capital programme and revenue budget are interlinked.

4.13 In accordance with new requirements, the Capital Strategy includes the following:

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

Treasury Management Strategy

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

4.15 The Strategy for 2019/20 reflects capital expenditure plans and highlights the Council's position in relation to prudential indicators arising from the Capital Strategy and also sets out the Minimum Revenue Provision (MRP) Policy Statement.

4.16 The Strategy for 2019/20 covers two main areas.

Capital Issues:

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

Treasury Management Issues:

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

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

4.18 The new Prudential and Treasury Management codes require the Capital and Treasury Management Strategies to be prepared so that there is clear reporting on the Council's approach to treasury and non-treasury investment. The respective reports comply with this requirement.

Income Strategy

4.19 On 18 September 2017 Cabinet approved an Income Strategy for the Council. The strategy details the approach that the Council is taking in regard to income generation and covers all material sources of revenue that finance day to day service provision including:

- Government Grants;
- Council Tax;
- Business Rates; and
- Fees, Charges and Other Contributions.

4.20 The strategy also considers:

- Investment Opportunities;
- Opportunities relating to traded services and other chargeable activities; and
- The process for setting charges and collection efficiency.

4.21 The approval of this policy formalised the approach to income activities and has been a key element in framing the budget setting process for 2019/20.

Commercial Property Investment Strategy

4.22 In December 2017 Cabinet approved the Council's Commercial Property Investment Strategy. The strategy sets out the framework to secure long term investments and to generate a sustainable income stream for the Council by way of rental income from new property assets and from its existing non-operational property portfolio held specifically for income generation purposes. The strategy aims to improve the financial resilience of the Council over time and to offset some of the financial pressures created by the continued reduction in Central Government grants. A number of opportunities continue to be considered and are reported on a case by case basis to a Property Advisory Group which has delegated authority to approve any acquisitions based on market analysis and a due diligence exercise.

Medium Term Property Strategy

4.23 The Council is in the process of implementing the Medium Term Property Strategy 2018 to 2022, as approved by Cabinet on 20 August 2018. This document has been developed to reflect the Council's strategic objectives as set out in the Corporate Plan 2017 to 2020.

4.24 In addition, recognising the greater attention on collaboration across the public sector, the Medium Term Property Strategy reflects the Government's One Public Estate Agenda, which is captured in the Locality Asset Review and the Oldham Strategic Estates Plan 2015-2020.

4.25 This strategy also sets out the framework for the delivery of efficiencies and budget savings from the rationalisation of existing assets, acquisition of new assets and the more efficient and effective use of the corporate estate.

Procurement Policy

4.26 The Council's Procurement Policy focuses on procurement activity which has the aim of ensuring the optimum balance between cost, quality and local social value, whilst also ensuring that any significant commercial risks are identified and mitigated at the commissioning stage of any procurement activity.

4.27 The policy ensures value for money and social value outputs are monitored and measured in an integrated way, in order to support the Council's co-operative agenda. In this way, the Council ensures that it maximises the greatest local social, economic and environmental benefit from the Council's purchasing power.

Housing Strategy

4.28 In March 2015 the Council approved the Oldham Housing Strategy for 2015 to 2018.

4.29 The Strategy sets out current challenges and Oldham's vision for housing and how it will work within Greater Manchester to deliver on its four key themes:

- Residential Growth.
- Healthy Homes.
- Improving Neighbourhoods.
- Building Stronger Communities.

4.30 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 regeneration through 'Invest in Oldham' and employment through 'Get Oldham Working' and clearly underpins decision making around the Capital Strategy, revenue and Housing Revenue Account budgets.

4.31 The strategy is currently under review and a new strategy will be put forward for approval and adoption in 2019. The financial implications of the updated strategy will be managed within the context of available revenue and capital resources.

Get Oldham Working Initiative

4.32 A key aim of the Council is to improve employment opportunities for Oldham residents and the Council has continued to take forward the flagship "Get Oldham Working" campaign which is now firmly into Phase 2. To date it has helped create almost 9,200 work-related opportunities - including more than 6,250 jobs, 1,300 apprenticeships, 320 traineeships and more than 1,250 work experience placements.

4.33 Recognising that the skills base of the Oldham workforce needs to be improved, the Council has invested in the skills agenda and, in line with the co-operative vision, has produced a Work and Skills Strategy.

4.34 The Council remains committed to the Get Oldham Working initiative and to continue the scheme from 2019/20 onwards an amount of £0.140m has been added to the budget estimates.

Oldham Work and Skills Strategy

4.35 The Work and Skills Strategy was approved by Cabinet in June 2016. In line with the co-operative vision, the Strategy aspires to achieve four simple strategic goals over the 2016 to 2020 period:

- Create jobs;
- Deliver social regeneration and in-work progression;
- Deliver the vision of the Oldham Education and Skills Commission (OESC) and improve the colleges; and
- Support a thriving private sector.

4.36 The strategy also contains an "outcomes framework" for employment and skills which seeks to improve population skills outcomes to support these strategic goals.

Education Provision Strategy

4.37 It is the Council's statutory duty to ensure there are enough school places available to local children and young people. No other local or national body shares this duty to secure sufficient primary and secondary schools, although to provide this the Council works with schools and other partners to deliver the places needed. When seeking to manage the demand and supply of school places in Oldham, Oldham Council will take into account the diverse range of provision and educational organisation arrangements that are working well and those that are not working as well. When new or changed provision is considered the Council will seek to influence any proposals to secure high quality educational provision for its citizens.

Strategy for Children and Young People aged 0-25 with Special Educational Needs and Disabilities

4.38 The strategy looks to the vision for children and young people with Special Educational Needs and Disabilities (SEND) to have a range of support and opportunities available to enable them to become confident individuals, effective communicators, successful learners and responsible citizens, to remain healthy and to achieve the life outcomes to which they and their families aspire. The current action plan following the strategy is due for review.

Oldham Education and Skills Commission (OESC) / Oldham Education Partnership

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

4.40 The Board of the Oldham Education Partnership work to support improvements across the education system. This work across the system is in close partnership with the Local Authority and Opportunity Area work.

4.41 Strong links are in place across the system with knowledge and intelligence of all schools (Local Authority and Academy) feeding into an Oldham wide model to support improvements at all Key Stages.

4.42 The focus for the Education Partnership will be the continuous improvement of:

- Outcomes for children and young people.
- Leadership that will drive the self-improving system.
- Teaching, learning and assessment.

4.43 The Oldham Education Partnership will continue to work in Partnership to support the role of the Local Authority with schools in Oldham.

People Strategy

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

ICT Strategy

4.45 The Council's ICT Strategy has been developed through engagement with key stakeholders across the business to shape the direction of the organisation in this regard.

4.46 It describes the development of core ICT capabilities over the three years 2017/18 to 2019/20 but is currently being refreshed. The strategy has been formulated through a pipeline which addresses delivering a customer focused service, digital by design, harnessing the power of data, strengthening governance and capability and integration of information to be an agile and efficient Council. Implementation of this strategy will allow the Council to address key challenges such as increasing demand, reducing budgets and embracing a wider reform of the public sector across the Greater Manchester (GM) sub-region.

4.47 The current and updated strategy will provide an aspirational vision and direction for the Council's technology platform, grounded in affordability, reflecting the balance between taking advantage of new opportunities in ICT with the risk and cost of moving away from or changing existing solutions. The principles within the strategies also provide a framework for how the Council's IT services will be designed, commissioned and delivered.

4.48 The success of the ICT Strategy is therefore a vital element in ensuring the Council can deliver its service transformation agenda with associated operational and financial efficiencies which include associated budget reduction proposals.

Climate Change Strategy

4.49 The Council has a Climate Change Strategy covering the period 2013 to 2020. This strategy covers the Council's approach to investment in low carbon infrastructure across the borough, both on its own assets and in partnership with community groups, developers and other stakeholders. Examples of projects arising from this strategy include the 110kw solar photovoltaic (PV) array on Tommyfield Market, and the Generation Oldham solar PV programme for schools and community centres.

4.50 The Climate Change Strategy will be replaced during 2019 with a new Green Oldham Strategy, which will build on the approach set down thus far and expand it in line with the Council's current priorities around Health and Wellbeing, tourism and also increasing energy efficiency.

4.51 The Climate Change Strategy and Green Oldham Strategy have and will provide Oldham with additional specific project funding sources which include the Interreg Europe COALESCCE project and the Food Chains for EU project. In addition a number of new EU funding bids have been submitted for which the Council is awaiting a decision as to whether it has been successful.

Local Flood Risk Management Strategy

4.52 The Local Flood Risk Management strategy principally aims to tackle 'local flood risk', which includes flooding from surface water, groundwater, ordinary watercourses, canals and reservoirs. This type of flooding is responsible for most of the household flooding in England, but until now there has been no duty on the Council or the Environment Agency (EA) to address these forms of risk in an organised way. The strategy aims to address this gap and direct and manage the way forward.

Other Strategies, Management Plans and Policies

4.53 There are a number of other policies, strategies and management plans which are relevant and feed into the MTFS. These include Safe and Strong Communities, Safeguarding for Adults, Children and Multi Agency Safeguarding Hub, Arts and Heritage, Place Marketing and Integration.

5 Financial Resilience

5.1 Members will recall that the Overview and Scrutiny Performance and Value for Money Select Committee considered a report on the financial resilience of Local Authorities at its meeting of 13 December 2018. Financial resilience has become a matter of national focus as a result of the well-publicised financial failure at Northamptonshire County Council. This required the issuing of an initial notice, in February 2018, under the powers of Section 114 of the Local Government Act 1988 which effectively brought all non-essential spending to a halt. As the financial position worsened, a second such notice was issued in July 2018.

5.2 In response to the issues at Northamptonshire and the signs of financial stress being exhibited by other Councils, the Chartered Institute of Public Finance and Accountancy (CIPFA), the leading public sector accountancy body, issued a consultation document on a proposal to introduce a Financial Resilience Index which sought to provide an assessment of the relative financial health of each English Council. A response to the consultation was issued in December 2018 which suggested measuring 15 indices and during the early part of 2019 CIPFA will be revising and testing the proposed range of indices ahead of the release of a final version. The index will therefore be a tool that will be used to support the 2020/21 and future years budget processes.

5.3 It is important to highlight that although the Council has used some one off measures to balance both the 2017/18 and 2018/19 budgets and is proposing to maintain this approach for 2019/20, it continues to be well positioned to adapt and adjust to meet the new financial challenges in respect of 2019/20 and future financial years. The Audit Findings Report produced by the External Auditor when giving the audit opinion on the 2017/18 Statement of Accounts (July 2018) advised that the Council has, in all significant aspects, proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

5.4 The report stated that “the Council continues to develop future opportunities for Oldham in the context of the challenging financial landscape. It has a track record of meeting its revenue budget and identifying areas of budget reductions to secure the delivery of public services”. Such comments from the External Auditor can give Members confidence in the financial planning process and hence the robustness of the approach to producing estimates and managing the financial challenges the Council is facing.

6 2018/19 Revised Budget and Year End Forecasts

6.1 The starting point for the consideration of the 2019/20 budget is the current 2018/19 budget position. Since the 2018/19 budget report was approved by Council on 28 February 2018, there have been a number of further one off funding allocations and amendments. These are detailed in Table 4 below and were included in the Month 8 Financial Monitoring Report approved by Cabinet at its meeting on 11 February 2019. The approved budget for 2018/19 has therefore increased to £221.453m. The revised 2018/19 budget therefore becomes the revised base budget for 2019/20.

Table 4 - 2018/19 Revised Revenue Budget

	£000	£000
Net Revenue Budget as at 1 April 2018		**209,657**
Adjusted for use of reserves		7,264
Adjusted Net Revenue Budget		**216,921**
New One-Off Grant Funding Adjustments		
Adult Personal Social Services Grant	208	
Opportunity Area Grant	2,237	
Adult Social Care Winter Pressures Grant	1,122	
School Improvement Monitoring & Brokerage Grant	261	
Extended Rights to Free Home to School Travel Grant	6	
Personal Advisor Support for Care Leavers Grant	11	
SEND Regional Co-ordinator Grant	24	
Property Searches New Burdens Grant	24	
Transition to Universal Credit (UC) Housing Grant	23	
Staying Put Grant	62	
Self Employed Review Funding Grant	20	
KS2 Moderation & KS1 Phonics Grant	13	
Capital Grants	531	
Reduction in DWP Implementation of UC Grant	(10)	
Reduction in S31 Grants in Lieu of Business Rates	(928)	
Increase in use of Reserves	928	
Total Budget Adjustments		4,532
Total Revised Net Revenue Budget		**221,453**

6.2 The table below details the approved 2018/19 Month 8 year-end forecast position against budget for each Portfolio after the planned transfers to and from reserves:

Table 5 - 2018/19 Month 8 Year-End Forecast Position against Budget

Portfolio	Budget £000	Forecast £000	Variance £000
Chief Executive	2,322	2,307	(15)
Corporate and Commercial Services	5,573	5,072	(501)
People and Place	138,739	143,982	5,243
Health and Adult Social Care Community Services	59,802	59,803	1
Reform	30,615	30,699	84
Capital, Treasury and Corporate Accounting	(15,598)	(20,555)	(4,957)
NET EXPENDITURE	**221,453**	**221,308**	**(145)**

6.3 Whilst overall corporately there is a small under spend projected at the end of the financial year of £0.145m, the key variance to note is a £5.243m projected over spend within the People and Place Portfolio largely attributable to Children's Social Care (£4.216m). The principal reasons for this over spend are in the main due to the continued rise in the numbers of looked after children and out of borough placements; this being a continuation of the pressures consistently reported throughout 2017/18 and despite significant investment for 2018/19. There are also reported overspends relating to the increase in the number of children with disabilities requesting personal budgets and the number of care leavers living in supported accommodation.

6.4 This therefore highlights the issues the Council is currently facing in relation to increased demand for children's social care services. Although management action is being implemented to reduce spending it is unlikely to have a significant impact prior to the start of 2019/20. Other budgets under pressure in the Portfolio are the Home to School Transport Service and the Building Control Service.

6.5 The overall corporate position is being managed by offsetting favourable variances, most noticeably from capital, treasury and corporate accounting budgets. This is in part caused by the anticipated cost of borrowing and capital financing being lower than budgeted and the availability of additional Treasury Management income and unringfenced grants not allocated to service budgets.

7 Base Budget Adjustments and Expenditure Pressures 2019/20 to 2023/24

7.1 The Council regularly reviews the assumptions and methodologies used to calculate the budget reduction requirements as part of its Medium Term Financial Strategy. This is informed by new or updated funding notifications from Central Government, trends in inflation, other Government policy announcements and changes in issues directly under the influence of the Council, all of which are outlined in Section 3 and Section 4 of the report. It also assumes as the starting point that expenditure and activity levels will continue as in 2018/19, adjusted for any approved budget reductions, growth items and additional burdens arising from new legislation or Central Government policy initiatives.

7.2 This section of the report sets out the revised expenditure assumptions that form the basis of the revenue budget estimates for the period 2019/20 to 2023/24 and change the budget requirement from that of 2018/19. The detailed MTFS estimates for 2019/20 and 2020/21 are attached at **Appendix 1**.

Base Budget Adjustments

7.3 The starting position for calculating the 2019/20 estimates takes account of the full year effect of 2018/19 adjustments. This has been updated to reflect the current position and includes:

- £0.300m to add back budget reductions approved in 2018/19 which were agreed for one-year only.
- £4.532m of one-off adjustments relating to 2018/19 temporary funding as shown in table 4.
- Removal of £0.026m for the Extended Rights to Free Travel Grant where the Council has only received notification of funding for the 2018/19 financial year.

- Adjustments of £0.689m in 2019/20 and £0.750m in 2020/21 to reflect temporary funding arrangements in relation to Early Help services pending a service review due to take place prior to the 2020/21 financial year.

- A £3.902m reduction in 2019/20 for the 2018/19 allocation of Improved Better Care Fund announced in the Spring Budget 2017 (£3.201m) and the 2018/19 Adult Social Care Support Grant announced in the 2018/19 Final Local Government Finance Settlement (£0.701m).

- Reductions in 2020/21 for new grants that have been notified for 2019/20 only, Winter Pressures Grant (£1.122m), Social Care Support Grant (£1.917m), Brexit Preparation Grant (£0.105m), Flexible Homelessness Support Grant (£0.194m) and Mayoral Grant (£0.693m).

- A reduction in funding for Universal Credit implementation costs of £0.155m as detailed at paragraph 8.34 thus directly reducing resources for this initiative.

Passporting of Adult Social Care Precept (ASCP)

7.4 From 2016/17, the Government has allowed Councils to raise additional Council Tax via an Adult Social Care Precept (ASCP). This additional funding must be ringfenced to support the increased costs of Adult Social Care and is passported directly to Adult Social Care Services. The Adult Social Care Precept, assuming a 2% increase (to reflect Council Tax Policy), for 2019/20 will generate an additional £1.771m to fund pressures within Adult Social Care.

ASCP Taxbase Growth

7.5 Revisions to the taxbase increase the funding available to the Council for decisions made to apply the ASCP in 2016/17, 2017/18 and 2018/19. As with monies raised from the application of the ASCP in 2019/20, all additional funding from ASCP taxbase growth will be passported directly to Adult Social Care and for 2019/20 the growth will generate an additional £0.089m.

Passporting of Increased Adult Social Care Grants

7.6 Given the national trends in Adults Social Care pressures the Government has supplied additional ringfenced funding for Adult Social Care which will be passported directly to fund Adult Social Care Services. For 2019/20 an additional £6.171m will be passported which consists of £3.463m in relation to the Better Care Fund, £1.586m for the improved Better Care Fund announced in the Spring Budget 2017 and £1.122m for the 2019/20 Winter Pressures Grant confirmed in the 2019/20 LGFS. It should be noted however that as detailed in paragraph 7.3, the £1.586m reflects a reduction of grant from 2018/19 of £3.201m leaving a net impact of £2.970m.

Demand Pressures – Children's Social Care

7.7 Members will be aware that the base budget for Children's Social Care for 2018/19 was significantly increased. However during the financial year demand pressures have continued as illustrated through the 2018/19 Month 8 Financial Monitoring Report which showed an adverse variance of £4.216m. Although action is being taken to manage demand and associated expenditure, the service will require additional investment in 2019/20. This investment will provide resources to support social care expenditure at anticipated levels of demand and allow for the enhancement and strengthening of the staffing establishment to enable effective service delivery.

7.8 The full year effect of this investment in Children's Social Care is £5.282m however the budget will be increased by £4.611m in 2019/20 to reflect the time it will take to bring the staffing establishment up to full complement. As advised previously the Government has provided a one off grant of £1.917m which will support this expenditure in 2019/20.

7.9 It is expected that by 2020/21 the establishment will be fully staffed (at an additional cost of £0.671m) but that the Children's Social Care Service will be operating such that efficiencies of £1.660m will be generated. However these efficiencies do not fully offset the one off nature of the funding offered by Central Government and therefore the Council is required to support its investment in Children's Social Care by a further £0.928m of its own resources in 2020/21.

7.10 Mindful that it will take some time to embed and implement the new operating arrangements within Children's Social Care and thereby manage demand more effectively, a sum of £1.000m will be held in reserve to provide additional financial support if required during 2019/20.

Pay Inflation

7.11 As per paragraph 3.34, pay inflation estimates have been made in line with nationally agreed pay spines and pay awards. These have been allowed for in the MTFS and also the continuation of a locally agreed commitment to the Living Wage Foundation National Living Wage. For Council Services excluding Adult Social Care, the application of the changes to pay are at a 2019/20 value of £1.884m. For Adult Social Care, any pay inflation costs will be met from the additional resources raised through the Adult Social Care Precept (ASCP).

Contractual Inflation

7.12 There are areas of expenditure where there is a contractual commitment linked to a fixed or variable inflationary increase and the estimates for 2019/20 reflect that need. In the main, this relates to increased utility costs and inflationary rises built into service contracts such as those related to Private Finance Initiative (PFI) schemes. It is estimated that for 2019/20 these contractual inflation costs are at a value of £0.878m.

7.13 The MTFS assumes no increase in 2019/20 for general supplies and services inflation and that services will absorb any costs from within current resources. It should be noted however that as detailed in Section 3 of this report, inflation rates at January 2019 were at a rate of 1.8% and applying no increase to service budgets effectively reduces the spending power of the Council.

Pension Contributions

7.14 Contribution rates for 2019/20 (at the same level as 2018/19) have been agreed with the Greater Manchester Pension Fund (GMPF) as part of its triennial revaluation exercise which determines the required employer contributions. Any variations to the numbers of employees within services will be managed within service budgets. There is however an estimated 1.4% rise for 2020/21 and a further 1% per annum increase assumed for each subsequent year.

GMCA Levy - Waste Disposal Element

7.15 During 2017, following extensive consultation with Districts, the Greater Manchester Waste Disposal Authority (GMWDA) made a decision to terminate existing waste PFI arrangements in order to reduce costs and deliver operational improvements. On 13 December 2017 the Council approved a revised Levy Allocation Methodology Agreement (LAMA) to be implemented from 2019/20 with transitional arrangements in place for 2018/19. In April 2018 the GMWDA transferred all its duties, obligations and statutory powers for waste disposal to the Greater Manchester Combined Authority (GMCA).

7.16 The Council's budget estimate for the GMCA Levy – Waste Disposal Element for 2019/20 was revised when the 2018/19 budget was set following termination of the former PFI arrangements and the agreement of the proposed LAMA. It was expected that the costs would increase by £0.428m and this was built into the budget estimates for 2019/20.

7.17 The Council was formally notified of the levy for 2019/20 on 15 February 2019 at a value of £18.102m. This represents a £0.585m increase compared to 2018/19 and is £0.157m higher than the previous estimate detailed above. In line with agreed policy, the £0.157m will be funded in 2019/20 from a reserve specifically held to support increased waste levy costs.

GMCA Levy – Transport Element

7.18 The GMCA agreed its 2019/20 Transport Levy to the Greater Manchester Districts on 15 February 2019. Oldham was notified that it's Transport Base Levy for 2019/20 was at a value of £16.076m which is £0.024m lower than the initial estimate for 2019/20. However, in 2019/20 the Transport Levy will be increased to reflect one off additional funding of £0.693m for Bus Reform (including the provision of an Opportunity Pass for 16-18 year olds) and a one off levy reduction of £0.418m following a review of GMCA reserve balances. To offset the one off £0.693m funding adjustment, the GMCA will provide an equal amount of Mayoral Grant to the Council as detailed in paragraph 10.5. The resulting 2019/20 Transport Levy for Oldham is at a value of £16.351m (a net increase of £0.251m).

GMCA and AGMA - Contributions to GM-Wide Activities

7.19 The GMCA approved its 2019/20 budget on 15 February 2019 and contributions to GM wide activities will remain unchanged at a value of £0.753m. On 25 January 2019 GMCA also approved the Association of Greater Manchester Authorities (AGMA) contributions to GM Wide Activities at a value of £0.070m, which is unchanged from the 2018/19 base budget position.

Environment Agency Local Levy

7.20 On 11 February 2019 the Environment Agency provided the Council with a confirmed levy amount for the 2019/20 financial year.

7.21 Oldham's levy for 2019/20 is in line with planning forecasts at a value of £0.106m, an increase of £0.002m.

Net Impact of Levies/Contributions

7.22 The table below advises that taking all the information set out above, resources of £0.838m will be added to the levy budgets in 2019/20.

Table 6 – Comparison of Levies / Contributions

Levy/Contribution	2018/19 Budget £000	2019/20 Notification £000	Difference £000
GMCA Levy - Waste Disposal Element	17,517	18,102	585
GMCA Levy - Transport Element	16,100	16,351	251
GMCA - Contributions to GM-Wide Activities	753	753	0
AGMA Contributions	70	70	0
Environment Agency	104	106	2
Total	**34,544**	**35,382**	**838**

Investment Fund

7.23 The Council has agreed an ambitious regeneration programme funded in part by prudential borrowing. This requires revenue spending to support the borrowing costs in line with the projected timeframe for the capital investment. The forecast is that for 2019/20 an additional £3.653m will be required in the investment fund. In the main this is required to offset previous one-off adjustment to estimates approved as part of the 2018/19 budget setting process where it was agreed to re-profile the Minimum Revenue Provision (MRP), the amount that the Council has to set aside from revenue resources to repay debt.

Homelessness Support

7.24 The Council has been notified of a 2019/20 Flexible Homelessness Support Grant after the 2018/19 budget was approved at a value of £0.194m. It is assumed that this grant will be passported to services in 2019/20.

Early Help Funding

7.25 Members will recall that the Early Help service in 2018/19 was partially financed from reserves to allow an extension to the Positive Steps contract to enable a review of the whole Early Help delivery model to be undertaken. This review has yet to be completed and to provide for a continuation of the service for a further year, resources of £1.100m will be required. On 17 January 2019 Schools Forum agreed to contribute £0.350m towards the cost of the Early Help Service from the Dedicated Schools Grant. As a result a resource allocation of £0.750m has been included in the 2019/20 budget as a one-year funding allocation to facilitate the determination of a revised delivery arrangement.

Brexit Preparations

7.26 On 28 January the Government announced a grant to fund Brexit preparations as detailed at 8.29. This is at a value of £0.105m. Expected expenditure has been increased in line with the value of the grant.

Development Fund

7.27 A funding allocation of £1.000m was included in the budget estimates to support the funding of business developments which may be identified subsequent to or during the budget process. Following the identification and agreement to fund such pressures which are explained in detail in the following paragraphs, this fund has been fully utilised as part of the 2019/20 budget setting process however it remains at a value of £1.000m for 2020/21 and future years.

Software Licenses

7.28 The Council's software license costs in relation to Microsoft products are due to increase at a cost of £0.250m in 2019/20. The Council will be required to incur this additional cost and this is therefore an unavoidable pressure.

Street Cleaning

7.29 Members will recall that on 20 August 2018 Cabinet approved a report allocating additional resources to support a Council initiative to promote street cleaning and enforcement. Additional funding of £0.240m in 2019/20 and a further £0.180m in 2020/21 has therefore been included in the budget estimates.

Coroners Service

7.30 Members are reminded that Coroners services for Oldham are provided as part of a single service for Bury, Rochdale and Oldham. The service is led by Rochdale and the Council has been informed that an additional £0.180m is required in relation to the Coroner's service due to a forecast increase in operating costs for 2019/20. The Coroner is an independent judicial office holder and not directly employed by the lead Local Authority. Consequently, the Council's influence over Coroner expenditure is limited.

Home to School Transport

7.31 Members will be aware that Revenue Budget Monitoring reports considered by Cabinet have highlighted a pressure in relation to continuing demand pressures within the Home to School Transport Service. The 2018/19 Month 8 Financial Monitoring Report detailed a projected overspend of £0.244m compared to £0.175m at Quarter 2. Whilst action is being taken to manage expenditure, it is considered appropriate to increase service budgets by £0.175m in 2019/20. The current routes will be re-procured during the 2018/19 academic year and there will be a review of the Home to School transport policy. This should lead to a reduced cost in line with the Quarter 2 forecast.

Building Control Fees

7.32 The 2018/19 Month 8 Financial Monitoring Report detailed that the Building Control Service is experiencing a reduction in fee income due to current economic challenges and also an increased requirement to carry out statutory non-fee generating activities on building safety. This has created an estimated pressure in 2018/19 of £0.204m however a projected increase in fees leading into 2019/20 suggests that a budget adjustment of £0.167m will be sufficient to stabilise the financial position in 2019/20.

Get Oldham Working

7.33 The Get Oldham Working agenda is a key Council priority. Within this programme the Oldham Modern Apprenticeship Trainee Scheme has previously been funded from external sources. This external funding source is due to expire at the end of 2018/19 and to continue the scheme and replicate the current programme of financing up to 80 trainees per year there is a requirement to provide a base budget of £0.140m in 2019/20.

Accommodation Costs – Public Health

7.34 There are on-going financial liabilities of £0.382m for accommodation which must be provided for in the in 2019/20 budget. This is due to a change in NHS funding arrangements with regard to the Council's use of NHS premises for the provision of Health Visitors and School Nurse services for the 0-5 Right Start Model and the delivery of sexual health service in the Integrated Care Centre.

New Business Developments

7.35 The items detailed as new business developments in paragraphs 7.28 to 7.34 have emerged as 2019/20 pressures during 2018/19 and are summarised in the table below:

Table 7 – New Business Developments

Estimated revenue position 2019/20 to 2021/22	2019/20 £000	2020/21 £000
Software Licenses	250	0
Street Cleaning	240	180
Coroners Service	180	20
Home to School Transport	175	0
Building Control Fees	167	0
Get Oldham Working	140	0
Accommodation Costs Public Health	382	0
Total New Business Developments	**1,534**	**200**

New Burdens and Service Transfers

7.36 As highlighted previously there is considerable uncertainty with regard to the Local Government Finance Regime and its effect on resources available to Councils from 2020/21. In particular the Government's commitment to the introduction of 75% Business Rates Retention means that the range and values of Government Grants is difficult to predict. Also there is an expectation that the new funding regime will require Councils to provide services which have previously been funded from Central Government. As a consequence the budget estimates assume that for 2020/21 any additional funding the Council receives from 75% Business Rates Retention Regime will be matched by New Burdens transferred from Central Government.

Revised Parish Precept

7.37 The revised Parish Precept amount reflects the increases in the tax bases for Saddleworth and Shaw and Crompton Parish Councils and the increased precepts approved by both Parish Councils. This is offset by an opposite and equal adjustment in the Council Tax generated in those areas. The revised 2019/20 Parish Precepts and the tax base growth applicable to the Parish Precepts in 2019/20 generates additional resources at a value of £0.014m.

Summary Budget Position

7.38 Taking all of these budget adjustments together means that the total expenditure budget for 2019/20 would rise to £234.941m. This is £21.916m higher than the resources available to support it and this is the budget gap that must therefore be addressed.

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

8.1 The 2019/20 Provisional Local Government Finance Settlement (PLGFS) was released on 13 December 2018. It was issued by the Secretary of State for Housing, Communities and Local Government the Rt. Hon James Brokenshire MP, setting out the Government's formal proposals for the funding of English Local Authorities in 2019/20.

8.2 The Government only provided financial information for 2019/20 in accordance with its offer to provide a multi-year settlement to Councils like Oldham that submitted an Efficiency Plan by 14 October 2016.

8.3 On the 29 January 2019 the Secretary of State for Housing, Communities and Local Government published the formal statement and supporting information on the Final LGFS for 2019 to 2020 which confirmed the funding approaches set out in the Provisional LGFS and associated announcements.

8.4 Key issues included in the LGFS and associated announcements were as follows:

- There was little new money included in the Settlement from Central Government apart from the confirmation of the 2019/20 Winter Pressures Grant and the 2019/20 unringfenced Social Care Support Grant which were announced in the 2018 Autumn Budget. There was no significant additional funding specifically for Children's Social Care which is currently the Council's major budgetary pressure.
- The Government confirmed that the referendum limit for general Council Tax increases would remain at 3% for 2019/20 in line with inflation rates as measured by the Consumer Price Index.
- The Government confirmed its intention to introduce 75% Business Rates Retention (rather than 100%) for all in 2020/21.
- Proposed changes to the New Homes Bonus payments scheme were scrapped in 2019/20 with the growth baseline remaining at 0.4%.
- Resources from the return of excess Business Rates levy income will be paid to Councils in 2018/19 (the Council will receive £0.978m)
- The GM Mayor, as Police and Crime Commissioner, has the ability to increase the Police precept by up to £24 in 2019/20, double the amount allowed in 2018/19.
- Updated Settlement Funding Assessment and Core Spending Power figures were issued for each Authority which included revised Business Rate Top Up grant figures.

8.5 The implications of these matters in the context of Oldham Council are dealt with from paragraph 8.20 of the report.

8.6 Three consultation papers were published alongside the 2019/20 PLGFS. The consultations covered the 2019/20 provisional settlement, reform of the Business Rates Retention system and a review of Local Authorities' relative needs and resources.

8.7 The Council's response to the consultation on the Settlement was submitted before the deadline of 10 January 2019 and was prepared by the Director of Finance in consultation with the Deputy Leader and Cabinet Member for Finance and Corporate Resources. The consultation paper sought responses to eight questions related to the distribution of Revenue Support Grant, Social Care Support Grant, New Homes Bonus and Rural Services Delivery Grant. The paper also sought views on the distribution of national levy account surpluses, Council Tax Referendum Principles and the issue of negative Revenue Support Grant. The Council responded from the position of believing that resources where possible should be distributed on the basis of need.

8.8 The consultation paper relating to Business Rates Retention reform explored a range of issues associated with resetting the system and moving to 75% local rates retention from 1 April 2020. The consultation paper covered the approach to resetting baselines, proposed revisions to levy and safety net arrangements, tier splits (e.g. between Counties and Districts) and pooling incentives. The paper also sought views on proposals that aim to simplify the administration of the system. The Council provided a response to the consultation before the deadline of 21 February 2019.

8.9 The third paper covered relative needs and resources and sought views on proposals to update and reform the formula for allocating resources as part of the Local Government finance system. From 1 April 2020, the Government is proposing to introduce a 'foundation formula' for allocating a proportion of resources on a per capita basis supplemented by service specific formulas for large and/or complex services such as Adults and Children's Social Care. The formula would continue to take account of the relative ability of Councils to raise revenue through local taxation and arrangements are likely to be introduced to smooth transition from the current system to the new system. The key challenge associated with the Business Rates Retention consultation is that stakeholders were asked for views on principles and aspects of design without being provided with illustrations or information as to how these reforms would impact on funding allocations and risk for individual Local Authorities. The Council provided a response to the consultation before the deadline of 21 February 2019.

Settlement Funding Assessment

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

National position

8.11 The Government has continued with its spending review commitment to reduce departmental spending and as such the following table shows these reductions in the National SFA. The reduction from £16.943bn in 2018/19 to £15.958bn in 2019/20 represents a 5.8% decrease in national funding.

Table 8 – National SFA Amounts

2018/19 £m	SFA for England	2019/20 £m
16,943	Settlement Funding Assessment	15,958
	of which:	
1,379	Revenue Support Grant	653
15,564	Baseline Funding Level	15,305

Oldham Council

8.12 The position for Oldham, following the submission and acceptance of its Efficiency Plan in 2016 is as anticipated and the reduction in the SFA from £102.816m in 2018/19 to £96.899m in 2019/20 represents a 5.75% decrease, in line with the decrease in overall national funding.

Table 9 – Oldham SFA Amounts

2018/19 £000	SFA for Oldham	2019/20 £000
102,816	Settlement Funding Assessment	96,899
	of which:	
0	Revenue Support Grant	0
102,816	Baseline Funding Level	96,899

8.13 The SFA figures provided for Oldham compared to the current estimates suggest a small increase in resources of £0.046m for 2019/20. This is due to the updating of the Small Business Rates Multiplier from 48p in 2018/19 to 49.1p in 2019/20, an increase of 2.29%. It is important to note that the change in SFA is not supported by a corresponding increase in grant funding.

Table 10 – Oldham SFA Changes

Funding Stream	Current Estimates £000	Settlement £000	Variance £000
Settlement Funding Assessment	96,853	96,899	46

Core Spending Power

8.14 Published alongside the LGFS was the Government's estimates of Core Spending Power (CSP). This is the Government's assessment of the expected revenue resources available to Local Authorities in 2019/20 using Office of Budget Responsibility estimates.

8.15 The Settlement includes detail by individual Authority and the comparative amounts for 2018/19 and 2019/20 for Oldham are shown in the table below:

Table 11 – Oldham's Core Spending Power

2018/19 £000	Core Spending Power for Oldham	2019/20 £000
185,619	Core Spending Power	189,197

8.16 Whilst the settlement Core Spending Power implies the Council has £3.578m more resources than in 2018/19, the Government's CSP figures include assumptions as to the growth of the tax base and annual tax increases that are not in line with the Council's own budget assumptions and estimates.

Business Rates Retention – National Levy Account 2018/19 Surplus

8.17 As part of the operation of the Business Rates Retention system, some Authorities pay a levy on the growth in their business rates. This levy is designed to meet the cost of the safety net payments for those Authorities that have seen a decline in their income below 92.5% of their individual baseline funding level in a single financial year. MHCLG, on behalf of the Government, manage levy income and safety net payments.

8.18 National Non-Domestic Rates (NNDR3) data published on 21 November 2018 confirmed that, as a result of growth in business rates collected by Authorities in 2017/18 and the associated levy payments, there was a surplus of £195m in the 2018/19 levy account. The Government intends to distribute the majority of this surplus (£180m) to all Local Authorities based on the 2013/14 settlement funding assessment (sum of the RSG for each Authority and Baseline Funding Level allocations). It is intended that the remainder of the surplus (£15m) be held back to meet potential safety net payments for 2019/20.

8.19 The allocation for Oldham is £0.978m which is expected to be received in late 2018/19 for inclusion in 2018/19 accounts, hence it is not included in 2019/20 Core Spending Power calculations. This resource can be carried forward in the 2018/19 accounts and will be used to support the 2019/20 budget.

Unringfenced Government Grants

8.20 As part of the LGFS, the Government published the following funding allocations.

Business Rates Top Up

8.21 Business Rates top up grant for 2019/20 is £40.653m, some £7.322m less than the equivalent figure for 2018/19 which reflects the Government's planned and ongoing reductions in funding support for the Local Government sector. Business Rates Top Up grant funding for 2020/21 and future years reflect the move from 100% to 75% Business Rates Retention (as per the detail in Section 3 of this report) and therefore shows an anticipated increase in top up grant whilst Business Rates income falls.

Grants in Lieu of Business Rates

8.22 Grants in lieu of Business Rates represent compensation for historic Government policy announcements and events that have the impact of reducing the amount of Business Rates revenue it is possible to collect. These grants are effectively a substitute for Retained Business Rates income. Grant compensation has arisen from policy announcements that have included:

- Caps on increases in the Business Rates multiplier for 2014/15, 2015/16 and post 2018/19;
- The doubling of small business rates relief and threshold changes for 2019/20;
- The cost of providing the recently announced retail discount; and
- Other small reliefs for discretionary schemes and supporting small businesses.

The compound effect of these changes coupled with the impact of appeals means the calculation of Grants in Lieu of Business Rates has become incredibly complex.

8.23 The forecast Grants in Lieu of Business Rates for 2019/20 is at a value of £10.503m. This has changed from the previous forecast of £7.714m as a result of a revision to the estimate for Retained Business Rates which informed the submission to Government of the NNDR1 (and subsequent delegated decision as explained at 3.23). Therefore the Grants in Lieu of Business Rates increase is mostly offset by a corresponding reduction in the Councils Retained Business Rates income.

Revenue Support Grant and Public Health Grant

8.24 As part of the arrangements for participating in the GM 100% Business Rates Retention Pilot Scheme, the Council no longer receives separate funding allocations for Revenue Support Grant and Public Health Grant. Furthermore, the ringfence that normally applies to Public Health Grant funding has been removed. This funding has been replaced by a higher level of retained business rates and top up grant. The equivalent level of funding rolled into the 100% Rates Retention Pilot Scheme in 2019/20 is Revenue Support Grant of £16.701m and Public Health Grant of £16.445m.

Improved Better Care Fund Grant

8.25 The LGFS confirmed the iBCF allocations published as part of the 2015 settlement at a value of £8.150m for 2019/20. The Provisional LGFS also confirmed the additional funding for 2019/20 which was announced in the Spring Budget 2017 at a value of £1.586m. The full detail of the grant and the proposed spending plans are detailed earlier in this report in paragraphs 3.57 to 3.60.

Independent Living Fund (ILF) Grant

8.26 The Council took over responsibility from Government for the functions associated with the former Independent Living Fund during 2015. Independent Living Fund Grant payments were again confirmed as the figures in the multi-year allocations published at the beginning of the 2016/17 financial year. These figures are included in the Council's budget estimates and are £2.580m for 2019/20 and £2.500m for 2020/21. This funding has been passported in full to the service as approved as part of the 2016/17 budget process.

2019/20 Winter Pressures Grant

8.27 The LGFS confirmed the Winter Pressures Grant announced in the Autumn Budget which provides an additional £240m nationally in 2019/20 for adult social care to help Councils alleviate winter pressures on the NHS. The Council has had its previously notified allocation confirmed at a value of £1.122m in the form of a grant and its use must be agreed with NHS partners and reported to the Department for Health and Social Care.

2019/20 Social Care Support Grant

8.28 The LGFS also confirmed a further £410m nationally in 2019/20 for adults and children's social care in the form of an unringfenced Social Care Support Grant. This grant has been provided in response to Councils concerns with regard to pressure on adult and children's social care services and the expectation is that Councils will use the funding to meet those pressures. The Council has had its previously notified allocation confirmed at a value of £1.917m and will be used to support Children's Social Care spending pressures.

2019/20 Brexit Preparations Grant

8.29 On 28 January 2019, the Secretary of State for the Ministry of Housing, Communities and Local Government advised that funding to support Brexit preparations would be made available. If is anticipated that Oldham will receive funding at a value of £0.105m in 2019/20. This funding has yet to be formally notified to Councils and as it has been provided to offset expected additional costs in preparation for exit / contingency planning. It has been assumed that if funding is confirmed it will have a neutral impact on the 2019/20 budget reduction requirement.

Housing Benefit Administration Grant

8.30 The Government will continue the payment of this unringfenced grant which compensates Local Authorities for the administration of the Housing Benefit system. The Department for Work and Pensions has given notification that the grant will be £0.759m for 2019/20.

Council Tax Administration Grant

8.31 The Government provides an unringfenced grant which compensates Local Authorities for the administration of the Council Tax system. The MHCLG has given notification that the grant will be £0.362m for 2019/20.

New Homes Bonus Grant

8.32 The 2019/20 Local Government Finance Settlement Technical Consultation Paper issued in July 2018 proposed amendments to the New Homes Bonus Grant through an adjustment to the variable baseline growth element of the grant. The Secretary of State, following consultation feedback, has decided not to implement the proposed adjustment resulting in no change to the calculation methodology. For 2019/20 Oldham Council will receive a New Homes Bonus Grant allocation of £0.961m which is £0.064m less than previously anticipated due to lower than expected house building in 2018/19.

Department for Work and Pensions (DWP) – New Burdens Grant

8.33 The Department for Work and Pensions (DWP) provides funding allocations to support the implementation of new incentives in relation to the administration of benefits. The DWP has given notification the grant for 2019/20 will be at a value of £0.104m.

DWP - Implementation of Universal Credit Grant

8.34 The Department for Work and Pensions (DWP) also provides funding allocations to support the implementation of Universal Credit. The DWP has advised that for 2019/20 Oldham will receiving an allocation of £0.068m to support residents moving from Housing Benefits to Universal Credit. This allocation is £0.155m lower than in 2018/19. Although an unringfenced grant it had been passported through to support service provision. In line with the fall in the grant received, service expenditure matched to the grant will therefore be reduced by £0.155m.

Homelessness Grants

8.35 Homelessness Grants for which funding has been notified currently total £0.256m consisting of £0.194m Flexible Homelessness Support Grant and £0.062m Homelessness New Burdens Grant. These grants are passported to the service.

Lead Local Flood Authority Grant

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

Ringfenced Grants

8.37 The estimates underpinning the Council's MTFS are based on ringfenced grants being allocated to fulfil their intended purpose. Such grants include Housing Benefit Subsidy and Dedicated Schools Grant. Ringfenced grant assumptions are based on the allocations that have been notified by the funding body or the best estimates available. It is important to note that any spending above the ringfenced grant level can impact on the Council's financial position. It is essential that services funded by ringfenced resources are managed with the same level of challenge and scrutiny as those funded by general resources.

Dedicated Schools Grant

8.38 The Dedicated Schools Grant is a ringfenced grant payable to Local Authorities by Government for the funding of schools. Over a number of years, the Government is changing the way it funds schools via the DSG from locally agreed arrangements towards a standard means of allocating resources. This is known as the National Funding Formula (NFF).

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

8.40 The DSG is made up of 4 blocks of funding :

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

- Individual mainstream schools and academies
- Growth Funding for planned growth by the Local Authority (LA) in schools

b) The **High Needs** block covers funding for the education of pupils subject to Education, Health and Care Plans from age 0-25 in a range of provision including special schools, mainstream schools, alternative provision, independent specialist provision and Council centrally retained expenditure for High Needs. Funding for the High Needs block has over the past few years, not kept pace with demand.

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

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

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

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

8.41 Each of the 4 blocks is determined by a separate National Funding Formula which calculates the funding due to Local Authorities. The Department for Education (DfE) calculated the funding that Local Authorities will receive for the Schools Block as if the National Funding Formula had been applied. Yet, for 2019/20 and 2020/21 (a year later than originally announced) it remains the role of the Local Authority to determine the funding to schools and academies via their Local Funding Formula for the Schools Block.

8.42 The former Secretary of State for Education announced, in July 2017, the Schools and High Needs funding formula to Local Authorities would be supported by an additional £1.3bn of funding by 2019/20 (£416m in 2018/19 and £884m in 2019/20). Of this sum, the notional amount for Oldham which was then considered available for schools and High Needs was an increase of £2.177m in 2019/20, which brought the anticipated level of overall DSG resources to £223.874m. This was based on 2017 pupil figures and was subject to update once the 2018 pupil figures were taken into account. The notional allocations did not include any amounts for the Early Years Block.

8.43 As there is a requirement to agree the funding formula with schools, consultation with schools and the Schools Forum was required. A budget paper, based on 2017 pupil numbers and a total funding allocation of £223.874m, was presented to Schools Forum on 28 November 2018. This suggested a funding allocation methodology for schools, which continued to use Oldham's existing funding formula but moved further to the proposed national formula but with a minimum funding guarantee of 0% (protecting schools from any losses on pupil led funding) but a cap on gains of 1.27%. Importantly it also proposed a 1% movement between the Schools and High Needs Blocks which Schools Forum was asked to approve.

8.44 This total 1% movement of funds between blocks was proposed as the outturn DSG position for 2018/19 was a projected deficit of £4.710m, mainly due to additional costs of funding from the High Needs block for Special Schools, the Pupil Referral Unit and additional children with statements in mainstream schools. Subsequently, the projected outturn deficit has reduced due to the notification on 17 December 2018 of £0.622m of additional High Needs funding, £0.105m of Business Rates adjustments and £0.018m Early Years Autumn Term adjustments which will all be used to partially offset the position to give a revised projected deficit of £3.965m. However, it still remains a cause for concern.

8.45 It is an important element of the financial management of the Authority that the DSG is not in a deficit position and there has been action to try to address this. However, this has been more than offset by the increasing numbers of children with special needs entering the schools system. Action taken includes;

- the revision of Council processes to ensure that education health plans are issued in a more timely manner and reviewed more frequently with regard to the needs of the child
- changes to the process for placement of children out of borough

8.46 The funding formula proposed was approved by Schools Forum and provides a minimum funding level per pupil of £3,500 for primary and £4,800 for secondary schools. Also, for secondary schools the income deprivation affecting children index (IDACI) was included in the proposed funding formula at 10% NFF values (for the lowest two bands) together with a 1% transfer between the Schools Block and High Needs Block. The funding formula and 1% transfer between blocks was reported to and approved by Cabinet on 17 December 2018.

8.47 The Council received the final DSG notification for 2019/20 including an amount for the Early Years Block on 17 December 2018. The 2019/20 DSG for Oldham is at a total value of £245.086m, which includes additional funding of £1.551m for the Schools Block. The total allocation is analysed over the four funding blocks including comparisons to the indicative allocations in the table below:

Table 12 – Dedicated School Grant 2019/20

	Schools block £000	Central school services block £000	High needs block £000	Early years block £000	Total DSG allocation 2019/20 £000
2019/20 Indicative Allocation	188,937	2,984	31,952	0	**223,874**
2019/20 Actual Allocation	190,488	2,999	32,839	18,760	**245,086**
Variance	**1,551**	**15**	**887**	**18,760**	**21,212**

8.48 Also on 17 December the Secretary of State for Education announced additional funding of £250m over 2 years for the High Needs Block to address the national pressure on High Needs spending and in response to representations made by the Local Government and Schools sectors. As referred to above, this included an allocation for Oldham of £0.622m in each of 2018/19 and 2019/20. The allocation for 2019/20 is included in the above figures. The Secretary of State also advised that Authorities, where movements between the Schools and High Needs blocks had already been agreed for 2019/20, may wish to reconsider their funding arrangements.

8.49 In this regard, given the current level of the DSG deficit and that that this will inevitably increase without remedial action, the Council still considers that a movement between blocks is necessary. The recommended approach was approved at the meeting of Schools Forum on 17 January 2019 and is a slight reduction in the movement between the Schools and High Needs blocks from 1% to 0.84% combined with a different approach to the funding available to schools via the formula. Schools Forum on 17 January 2019 also agreed to support the Early Help initiative with £0.350m from the DSG in 2019/20.

8.50 The Schools Forum meeting received information on the updated funding allocation together with the proposed DSG budget for 2019/20. Schools Forum was advised that the additional resources would allow a minimum funding guarantee (MFG) of an increase of 0.1% over 2018/19 pupil led funding with a cap on increases at 1.37%. It was also advised that individual school budgets include funding for non-pupil led funding i.e. Lump Sum, premises, Private Finance Initiative and split site costs, and these factors do not receive a 0.1% MFG increase. Therefore the percentage change in school budgets between 2018/19 and 2019/20 may not fully equate to 0.1% increase in all instances.

8.51 In total therefore after allowing for the 0.84% movement of £1.594m the revised Schools Block is £188.894m and the revised High Needs Block is £34.433m.

8.52 Work will be continuing during the remainder of 2018/19 and throughout 2019/20 to address the DSG deficit position building on the work already in train, with the development of a detailed DSG recovery plan in consultation with Schools Forum. However, the Council has advised Schools Forum that if insufficient progress is made in taking forward such a plan then it will, with effect from September 2019, the start of the next academic year:

- Reduce top up funding given to mainstream schools with pupils with education health and care plans
- Reduce top up funding given to special schools
- Introduce new funding arrangements for over capacity over occupancy (over capacity) funding for Special Schools

8.53 It is important to note that the DfE has recently consulted on the implementation of new arrangements for reporting deficits of the DSG. The consultation document suggested that a report will be required from all Local Authorities that have an overall cumulative DSG deficit of 1% or more at the end of 2018/19. The recovery plan should look to bring the overall DSG into balance within a maximum of three years. Given the current position, Oldham will be required to submit such a report to the DfE and the action proposed within the report should ensure DfE requirements are satisfied.

Housing Benefit Subsidy Grant

8.54 The Council receives Housing Benefit Subsidy Grant funding from the Department for Work and Pensions (DWP). Allocations are determined on the submission of a Local Authority's initial estimate for its anticipated levels of rent allowances and rent rebates within a financial year. A revised estimate takes place mid-year. In addition to these estimates the DWP also allocates an amount for the administration of the scheme which is based on the number of new housing benefit claims and overall caseload. This is presented at paragraph 8.30 of the report.

8.55 In 2018/19 the Council is currently forecasting £56.7m of funding for Housing Benefit from the DWP. This allocation is likely to be reduced in 2019/20 as Housing Benefit caseloads fall as a direct result of the transition to Universal Credit. The recent announcements in regard to the delayed rollout of Universal Credit nationally does not impact on Oldham as it was in the first phase of rollout Authorities. The estimated 2019/20 position will be captured following the Council's submission of updated information in accordance with the statutory deadline of 1 March 2019.

Discretionary Housing Payments (DHP)

8.56 On 11 February 2019 the Council received notification of the Governments DHP allocations for 2019/20. Oldham will receive an amount of £0.638m which is £0.016m lower than the amount received for the 2018/19 financial year (£0.654m). When received, this will be treated as a ringfenced grant as Authorities are required to provide a statement of grant usage and to return any unspent DHP allocation to the Government at the end of each financial year.

9 Locally Generated Income

9.1 As Government grant funding continues to diminish, locally generated income from Council Tax and Business Rates is providing an increasing proportion of funding for Council services.

Retained Business Rates

9.2 Included within Section 3 of the report is an explanation of the Business Rates system as applicable at present. Section 3 also explains the operation of both the GM 100% Business Rates Retention Pilot Scheme and Business Rates Pooling arrangements for 2019/20. From the figures presented in Section 8, it is also clear that the Government has implemented many policy changes since Business Rates Retention was introduced in 2013 that have resulted in a reduction to the amount of Business Rates revenue it is possible to collect. The Government has assured Councils that such policy announcements will continue to be fiscally neutral with Councils being provided with grant compensation in lieu of Business Rates revenue. It has also provided specific assurances to areas like Greater Manchester to ensure the region is no worse off as a result of piloting 100% Business Rates Retention.

9.3 The 100% Business Rates Retention pilot scheme so far is proving to be a success and is generating additional gains for both Oldham, other participating Districts and the GMCA. The forecasts included in this report show a benefit to Oldham of participating in the pilot scheme of some £1.718m (£0.500m from 2017/18 and £1.218m from 2018/19) which will be carried forward from 2018/19 to support the 2019/20 budget. Although Business Rates revenue growth remains uncertain, it is hoped similar gains will be available in the final year of the pilot scheme.

9.4 As a result, the Council's share of business rate revenues are projected to be £50.826m for 2019/20. This estimate has been revised downwards from £53.468 however this reduction is mostly offset by an increase in the Grants in Lieu of Business Rates as explained in paragraphs 8.22 and 8.23.

Council Tax Tax Base

9.5 Council Tax is the largest single revenue stream that is used to support the Council's revenue budget. Council Tax and Adult Social Care Precept income changes each year due to changes in the tax base (increase/decrease in chargeable Band D equivalent properties), fluctuations in collection rates and the Council's annual decisions on the level of the tax.

9.6 Each year the Council is required to review its Tax Base by considering the:

- numbers of properties within the boundary of the borough which determines the number of Band D equivalent properties upon which the Council Tax calculations are based; and
- anticipated level of Council Tax that will be collected known as the Collection Rate.

9.7 On 17 December 2018 Cabinet considered and approved the calculation of the Council Tax tax base for 2019/20. The approved tax base has increased by 1,027 from 55,666 to 56,693. The tax base calculations are summarised in **Appendix 8**.

9.8 The tax base beyond 2019/20 is estimated to increase by around 400 Band D equivalent properties per annum to 2023/24 resulting from the building of new properties, fewer

households claiming Council Tax Reduction support and empty properties being brought back into use.

Council Tax Reduction Scheme

9.9 The Council Tax Reduction (CTR) Scheme for 2019/20 is presented elsewhere on the agenda. The scheme itself has remained unchanged in recent years. In April 2017, Universal Credit Full Service commenced its roll out in Oldham. A wider understanding of the impact of this roll out has now presented the Council with an opportunity to reconsider its CTR scheme for 2019/20.

9.10 Proposals to change the CTR scheme have been consulted upon and include the continuation of limiting support to a maximum of 85% of Council Tax of a Band A property, the disregard of Bereavement Support Allowance, Post Graduate Master's Degree Loan and Special Support payments in the assessment of CTR, the introduction of support for UC/CTR claimants including earnings disregards, use of DWP information as an intention to claim and incorporation of housing costs in the UC maximum award. On the basis that the proposed scheme is approved it will reduce the level of Council Tax income available to support the budget. However, the estimated impact has been considered alongside the proposal to increase the level of charges on empty properties set out below and the agreed taxbase.

General Increase in Council Tax

9.11 Within the 2019/20 Provisional LGFS, the Government confirmed the referendum limit for general Council Tax at a maximum increase of 3% for 2019/20 in line with current inflation rates as measured by the Consumer Price Index. This is 1% above previous levels and therefore allows the Council the option of introducing a general Council Tax increase of up to 2.99% without triggering a referendum.

9.12 The Council Tax policy is for a general Council Tax increase of 1.99% and there is no proposed change to this. The total 2019/20 Council Tax generated following this increase will be at a value of £85.399m.

Council Tax Empty Property Premium

9.13 The Council currently applies a Council Tax Empty Property Premium of 50% for properties empty and unfurnished for over two years. This policy was introduced from 1 April 2013 to encourage owners of empty properties to bring properties back into use and to help mitigate the impact of reduced Central Government funding. However, the Government announced in the Spring 2017 budget, that from 1 April 2019 Local Authorities would be given discretion to increase the Council Tax Empty Property Premium to a maximum of 100%, with the ability from 1 April 2020 to introduce additional premiums for properties empty and unfurnished for over five years and over ten years. This legislation in the form of the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 received Royal Assent on 1 November 2018.

9.14 The legislation means that for properties empty between 5 years and 10 years a maximum premium of 200% can be applied. If a property is empty and unfurnished for over 10 years a premium of 300% can be applied. If the Council were to introduce the maximum allowance premiums from 1 April 2020 the position would be as set out below:

Table 13 – Council Tax Empty Property Premium

Length of Time Vacant	Premium %
Less than 5 years	100
Between 5 years and 10 years	200
Over 10 years	300

9.15 Initially the Council intends to increase the empty property premium from 50% to the maximum 100% allowed from 1 April 2019. The impact of increasing the premium will be monitored throughout the 2019/20 financial year and increased income will support changes in the CTR scheme as set out above. Due consideration will be given prior to introducing the additional premiums from 1 April 2020 in line with the legislation.

Adult Social Care Precept

9.16 The revenue raised from the Adult Social Care Precept (ASCP) must be ringfenced to support the increased costs of Adult Social Care, in part caused by Government sanctioned increases in the National Living Wage and the consequent impact on the cost for provision of care. The Government's calculation of CSP assumes this precept is levied by Oldham and by all Councils. It is proposed that the precept, which has to be highlighted separately on the face of the Council Tax bill, will be levied by the Council at a 2% increase. This will generate an additional £1.771m Council Tax income for 2019/20 in addition to that generated from the precept in 2016/17, 2017/18 and 2018/19.

9.17 To ensure that Councils are using income from the precept for Adult Social Care, Councils are required to publish a description of their plans, including changing levels of spend on Adult Social Care and other services which requires sign off from the Council's Chief Finance Officer (The Director of Finance).

9.18 Although Government has only indicated that the Adult Social Care Precept will continue to 2019/20, the MTFS assumes it will continue beyond the current spending review period which ends in 2019/20.

Increased level of Council Tax income

9.19 The proposals set out in this report assume that a 1.99% general increase to Council Tax is applied for 2019/20. Together with the proposed increase in the Adult Social Care Precept detailed in paragraph 9.16, this represents an overall increase in Council Tax of 3.99% for Oldham Council services. Oldham Council Band D Council Tax for 2019/20 will therefore be £1,624.36 of which £118.02 relates to the Adult Social Care Precept.

9.20 Compared to figures presented in the 2018/19 budget report, the proposed increases and revised Tax Base will generate additional Council Tax of £0.974m and Adult Social Care Precept of £0.089m. The budget gap estimates have been updated to reflect the increase of income in General Council Tax and the Adult Social Care Precept. The Adult Social Care Precept increased income will be passported direct to Adult Social Care services.

9.21 Members are reminded that the Council is required to calculate its Relevant Basic Amount (RBA) of Council Tax to determine whether there is a requirement to hold a referendum about a Council Tax increase above a level that the Government considers excessive.

9.22 This "excessiveness" is determined annually and for 2019/20 was detailed in 'The Referendums Relating to Council Tax Increases (Principles) (England) Report 2019/20' which was published as part of the Final LGFS. For 2019/20, the RBA consists of an increase in the RBA of Council Tax comprising a maximum of 3% for general Council Tax plus an element for the Adult Social Care Precept (6% less 2017/18 ASCP increase less 2018/19 ASCP).

9.23 As part of the 2017/18 LGFS, the Government allowed Councils to raise an ASCP of up to 6% over a three year period to 2019/20. The precept was permitted to increase by a maximum of 3% in 2017/18 with a further 3% in 2018/19 provided there was no further increase in 2019/20. To help reduce the impact on residents, Oldham Council chose to charge the precept but at an increase of 2% in 2017/18 with a further increase of 2% in 2018/19 and 2019/20.

9.24 This means that locally for Oldham the 2019/20 maximum Council Tax increase available is 5% (comprising a maximum 2% for the Adult Social Care Precept and 3% for other services). Any increase below 5% would not therefore be classed as excessive and as such the recommended increase of 3.99% would not trigger a referendum. Members are therefore reminded that Council Tax could be increased by a further 1% above the agreed policy and still remain within the referendum limits.

Parish Precepts

9.25 Parish Precept income is collected by the Council on behalf of the Saddleworth and Shaw and Crompton Parish Councils. These precepts are included on the Council Tax bills of properties falling within these parish areas. The revenue collected is for the benefit of each parish and thus has no impact on the financial projections presented in this report. The revised 2019/20 Parish Precepts and the 2019/20 growth in the tax base for both parishes produces an increase of £0.014m as shown in paragraph 7.37 which increases the total parish precepts to a value of £0.278m.

2018/19 Collection Fund Forecast Outturn Position

9.26 The Collection Fund is a statutory fund separate from the General Fund of the Council and the Collection Fund forecast outturn projection is presented as part of the revenue monitoring reports considered by Cabinet throughout the year. 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 and/or Business Rates surplus or deficit which can then be distributed to the Council and the GMCA for the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire Services).

9.27 At 15 January 2019, the Collection Fund forecast position for both Council Tax and Business Rates for 2018/19 was an overall surplus of £2.612m. Of this sum the GMCA share was £0.343m and it was duly notified in accordance with the statutory deadline. This then enabled the Council to take its share at a value of £2.269m to support the 2019/20 revenue budget.

10 Other Income Sources

Fees and Charges

10.1 The provision of many Council services relies on the collection of revenue from fees and charges. Specific proposals in relation to fees and charges are set out in Section 15 of this report.

Flexible use of Capital Receipts

10.2 As part of the Local Government Finance Settlement (LGFS) in March 2016, the Secretary of State for Housing, Communities and Local Government provided Local Authorities with the opportunity to use capital receipts to fund the revenue costs of transformation. This flexibility was then extended to 2021/22 as part of the 2018/19 LGFS. The Council intends to use up to £3m of capital receipts to fund elements of Oldham's transformational agenda in line with the directive guidance and therefore in 2019/20 the first £3m of unfettered receipts will be used to support the revenue budget via the financing of transformational projects.

10.3 The flexible use of capital receipts is designed to offset the revenue cost of transformational projects which are expected to deliver future ongoing revenue savings for either the Council or other public sector delivery partners.

10.4 In order to take advantage of the change of use to capital receipts, the Council must act in accordance with the statutory guidance issued by the Secretary of State. This guidance requires the Council to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy. The Council's Flexible Use of Capital Receipts Strategy is included in the Capital Strategy presented elsewhere on the agenda.

GMCA Resources

10.5 On 15 February 2019 the GMCA approved the Mayoral General Budget and Precept for 2019/20. This included the payment of grants to the Greater Manchester districts to offset additional one off Transport Levy costs. For the 2019/20 financial year Oldham will receive a grant of £0.693m to support an equivalent increase in the Transport Levy to fund Bus Reform as detailed in paragraph 7.18. This grant arrangement is required as Mayoral powers are not yet in place to facilitate the funding of Bus Reform via a Mayoral Precept.

10.6 On 15 February 2019, the GMCA considered and approved a report which set out its 2018/19 forecast revenue position. This report advised that following a review of the level of resources available from the piloting of Business Rates Retention, £25m of accumulated reserves could be released to the 10 GM District Councils. Oldham will receive a share of these funds in 2018/19 at a value of £1.825m. This will be carried forward as a reserve from 2018/19 and used to support the 2019/20 revenue budget.

11 Revised Budget Gap Forecast

11.1 Since the 2018/19 budget was set on 28 February 2018, a number of developments have meant it is necessary to adjust future years base budget estimates and revisit a number of expenditure pressure calculations.

11.2 Bringing together all of the assumptions and information set out earlier in this report the budget gap for 2019/20, presented to Council on 28 February 2018 at £17.986m has increased by £3.930m to £21.916m.

11.3 The impact of revisions to assumptions for the period 2019/20 to 2020/21, compared to the position reported on 28 February 2018 is presented in Table 14 below and is summarised in the following paragraphs.

Table 14 – Change to Budget Gap since 28 February 2018

Estimated revenue position 2019/20 to 2020/21	2019/20 £000	2020/21 £000
Budget Reduction Requirement as at 28/02/2018	**17,986**	**7,817**
Reversal of indicative future years savings submitted 2018/19	3,231	3,846
Reversal of Approved Use of Reserves 2016/17	250	
Revised total after 'roll-forward' adjustments	**21,467**	**11,663**
Adverse changes to estimates		
Government and other external agencies		
Grants in lieu of Business Rates	928	
DWP Grants	37	172
Homelessness Support	194	
New Homes Bonus Grant	64	
GMCA Levy - Waste Disposal Element	157	
Environment Agency Levy	2	2
Demand and other pressures		
Children's Social Care - Additional Demand	4,586	(989)
Early Help	750	(750)
New Business Developments	1,534	200
Adult Social Care Precept - Tax Base Growth	33	
Pension Contributions		1,000
Favourable changes to estimates		
Investment Fund (Debt Charges)	(1,500)	1,500
Pay and Price Inflation	(726)	(1,508)
GMCA Levy - Transport Element	(71)	(603)
Business Rates Recalculation	(359)	(204)
Revised Business Rates Top Up Grant	(9)	2,387
Revision to Council Tax Tax Base Growth Estimates	(963)	(169)
Adult Social Care Precept - Tax Base Growth	(33)	
Housing Benefit Admin Grant	(367)	(236)
Council Tax Admin Grant	(4)	
Homelessness	(194)	
Mayoral Grant	(693)	693
Lead Local Flood Authority Grant		(12)
Development Fund	(1,000)	
Revised Gap / Budget Reduction Requirement	**23,833**	**13,146**
Government Resources Payable in 2019/20		
2019/20 Winter Pressures Expenditure	1,122	
2019/20 Winter Pressures Grant	(1,122)	
2019/20 Social Care Support Grant	(1,917)	1,917
2019/20 Brexit Preparation Expenditure	105	
2019/20 Brexit Preparation Grant	(105)	
Revised Gap / Budget Reduction Requirement	**21,916**	**15,063**

Reversal of Future Years Indicative Budget Reduction Proposals

11.4 Members will recall that the Revenue Budget 2018/19 and Medium Term Financial Strategy 2019/20 to 2021/22 presented to Council on 28 February 2018 included £3.231m of Indicative Budget Reduction Proposals for 2019/20 with a further £3.846m for 2020/21 As detailed plans for the delivery of the savings had yet to be developed these proposals have been removed from the revised estimates. This provided the opportunity to reconsider the feasibility of these proposals and if appropriate they have been resubmitted as new budget reduction proposals for 2019/20.

Adverse Changes to Estimates

Government and other external agencies

Grants in lieu of business rates

11.5 Members will recall that on 20 March 2018 the Secretary of State announced that an "historic error" had been found in the way that Section 31 grants had been calculated for all 100% Rates Retention pilot scheme areas. As a consequence, the calculation of payments made to all Local Authorities piloting 100% business rates retention were adjusted. For Oldham, this resulted in a reduction in grant of £0.928m which had to be made good by reserves in year. This has therefore to be addressed as a budget pressure in 2019/20.

DWP Grants

11.6 The Council has received confirmation of grant levels from the DWP in relation to Universal Credit and New Burdens administration (detailed in Section 8 of this report). The net effect of changes in grant increase the budget reduction requirement in 2019/20 by £0.037m with an additional expected reduction of £0.172m in 2020/21.

Homelessness Support

11.7 The Council was notified of a 2019/20 Flexible Homelessness Support Grant after the 2018/19 budget was approved at a value of £0.194m. It is assumed that this grant will be passported to services in 2019/20 (an adverse variance) however this is offset in full by the income included at paragraph 11.24.

New Homes Bonus

11.8 Following the 2018/19 introduction of baseline growth adjustments and lower than anticipated house building in 2018/19, it is now estimated that the Council will receive a reduced level of grant at a value of £0.961m in 2019/20. This is £0.064m lower than previous estimates.

GMCA Levy – Waste Disposal Element

11.9 As detailed in paragraph 7.17 the Council has been notified of an increase in the GMCA Levy – Waste Disposal Element at a value of £0.585m which is £0.157m higher than previous estimates. This increase will be met from one-off use of specific reserves in 2019/20.

Environment Agency Levy

11.10 The Council has been notified of a £0.002m increase in the Environment Agency levy over the previous estimated (cash standstill) level for 2019/20.

Demand and other pressures

Children's Social Care

11.11 As detailed in paragraph 7.7 Children's Social Care remains an area of considerable pressure. In 2019/20 the service requires funding of £4.586m more than the £0.025m already allowed for. The estimate for 2020/21 is a net reduction of £0.989m due to service efficiencies of £1.660m offset by the full year effect of staffing costs at a value of £0.671m.

Early Help Funding

11.12 Paragraph 7.25 provides detail of Early Help funding for 2019/20. To allow a full service review to take place, £0.750m has been included as a one year only budget allocation pending the agreement of revised delivery arrangements.

New Business Developments

11.13 As detailed in paragraph 7.35 there have been a number of new developments in year that have required additional resource and increased the budget reduction requirement. The total resource requirement of these new business developments is at a value of £1.534m for 2019/20 and £0.200m for 2020/21.

Adult Social Care Tax Base Growth

11.14 All funding raised in regard to the Adult Social Care Precept is passported direct to services and this additional £0.033m in 2019/20 reflects the improved Council Tax Base projections and the increase in revenues as detailed in paragraph 11.21.

Pension Contributions

11.15 As part of the Council's budget setting requirement In 2017/18, Council approved a budget reduction proposal of £1.000m derived in the main from making an upfront payment for all employer pension contributions for the current triennial pension period. 2019/20 is the final year of this triennial period and as such the approved proposal expires prior to the 2020/21 financial year. The Greater Manchester Pension Fund has yet to confirm whether it will offer similar terms for the next triennial period (2020/21 to 2022/23). Furthermore, it would be necessary to secure Member approval to enter into a continuation of the pre-payment arrangement. Consequently, it is necessary to reflect in the estimates a reversion to the previous 'pay monthly' arrangements that were in place prior to 2017/18. By 2020/21, it is estimated that the cost of reverting to these arrangements will be around £1.000m per annum.

Favourable Changes to Estimates

Investment Fund – Debt Charges

11.16 The budget estimates included an allocation of funding in 2019/20 to account for the ongoing revenue resource implications of the Capital Programme (entitled 'Investment Fund') at a value of £5.153m. Following the completion of the annual review of the Capital Programme, reported to the Capital Investment Programme Board (CIPB) and as a result of revisions to the profiling of major capital projects, the estimated required resource in relation to capital financing charges for 2019/20 can now be reduced by £1.500m.

Pay and Price Inflation

11.17 Revised NJC pay arrangements (detailed at paragraph 3.34) and the Councils commitment to the Living Wage Foundation Living Wage have led to an increased employee pay budget requirement which is within current estimates however the decision not to allocate contractual inflation to general supplies and services has led to a reduction in the budget gap at a value of £0.726m in 2019/20 and £1.508m in 2020/21.

GMCA Levy - Transport Element

11.18 The Transport element of the GMCA Levy for 2019/20 is detailed in paragraph 7.18 and the 2019/20 additional budget requirement following one off adjustments is a net increase of £0.251m. Previous assumptions were based on an annual 2% increase (£0.322m) and the revision allows the estimates to be reduced by a value of £0.071m in 2019/20. The 2020/21 adjustment reflects the reversal of the 2019/20 one off adjustments and returns the Transport Base Levy to a value of £16.076m.

Business Rates Recalculation and Grants in Lieu of Business Rates

11.19 Business Rates and Grants in Lieu of Business Rates have been recalculated in order to prepare and submit the NNDR 1 form to Central Government and hence the Business Rates Taxbase has been reset under delegated powers as explained at 3.23, 8.22 and 8.23. The net impact is that the Council is able to reduce the budget reduction requirement for 2019/20 by a value of £0.359m.

Revised Business Rates Top Up Grant

11.20 Revisions to the Government's calculations of Business Rates and the Business Rates Multiplier allowed for a small adjustment to the 2019/20 budget reduction requirement at a value of £0.009m. The estimates for 2020/21, as detailed at paragraph 8.21 contain a high level of uncertainty at this time and although the Government has announced that the austerity regime is coming to an end the estimates remain prudent and assume that Business Rates Top Up Grant will reduce at a similar level as over recent years. This results in an annual average decrease of approximately 7.5% and increase the 2020/21 budget reduction requirement by £2.387m.

Revision to Council Tax Tax Base Growth Estimates

11.21 As explained in Section 9 of the report, improved Council Tax Base projections will result in an increase in general Council Tax revenues of £0.963m in 2019/20, together with a further £0.033m Adult Social Care Precept (ASCP) passported to the service as detailed in paragraph 11.14.

Housing Benefit Administration Grant

11.22 Paragraph 8.30 details the Housing Benefit Administration Grant for 2019/20 which is £0.367m higher than previous estimates and reduces the forecast budget gap for 2019/20.

Council Tax Administration Grant

11.23 Paragraph 8.31 details the Council Tax Administration Grant for 2019/20 which is £0.004m higher than previous estimates and again reduces the forecast budget gap for 2019/20.

Homelessness

11.24 As per paragraph 8.35, the Council has been notified of a 2019/20 Flexible Homelessness Support Grant after the 2018/19 budget was approved at a value of £0.194m. It is assumed that this grant will be passported to the service in 2019/20.

Mayoral Grant

11.25 As detailed in paragraph 9.29 the Council is to receive a one off Mayoral grant in 2019/20 at a value of £0.693m.

Lead Local Flood Authority Grant

11.26 The Council, as a Lead Local Flood Authority also receives a grant from the MHCLG and on 13 June 2017 received confirmation of 2017/18 allocations and provisional funding allocations up to the 2019/20 financial year. The estimates in the MTFS assume funding as per this provisional funding allocations at a value of £0.012m in 2019/20 and also assume continuation into future financial years (previous estimates did not assume continuation after 2019/20).

Development Fund

11.27 A funding allocation of £1.000m was previously included in the budget estimates to facilitate the funding of business developments which may be identified subsequent to or during the budget process. Following the identification and agreement to fund such pressures this has been realigned to support the new business developments identified at paragraph 11.13.

Government Resources

2019/20 Winter Pressures Grant

11.28 Paragraph 3.63 of this report provides detail on the 2019/20 Winter Pressures Grant which was introduced in the 2018 Autumn Budget and confirmed within the 2019/20 LGFS. The Council will receive £1.122m of grant for 2019/20, which in line with the grant conditions will be passported direct to Health and Adult Social Care Community Services.

2019/20 Social Care Support Grant

11.29 Paragraph 3.64 of this report provides detail on the 2019/20 Social Care Support Grant which was also introduced in the 2018 Autumn Budget and confirmed within the 2019/20 LGFS. The Council will receive £1.917m of unringfenced grant for 2019/20. It will be used to contribute to the investment in Children's Services detailed in paragraph 7.7.

2019/20 Brexit Preparation Grant

11.30 As advised at 8.29, on 28 January 2019, the Secretary of State for the Ministry of Housing, Communities and Local Government advised that funding to support Brexit preparations would be made available. The Council expects to receive £0.105m in 2019/20 which is anticipated will be offset by a corresponding increase in expenditure.

Summary Position

11.31 The adjustments to estimates detailed in the paragraphs above revise the budget gap for 2019/20 and result in a change from £17.986m (approved by Council on 28 February 2018) to a revised amount of £21.916m (an increase of £3.930m).

11.32 An overall summary of the Council's revenue budget gap forecast for 2019/20 and 2020/21, including the adjustments detailed above, is presented at **Appendix 1**.

12 Budget Proposals

12.1 The approach used by the Administration for balancing the budget by completing an exercise for the period 2019/20 to 2021/22, followed on from the successful processes adopted in previous years. Using the well-established forum of Leadership Star Chamber there has been a review of the extent of financial pressures facing the Council and consideration given to budget reduction proposals to bridge the budget gap.

12.2 The budget has been reviewed by Portfolio area with proposals put forward for consideration. The Portfolio areas are as follows:

- Health and Adult Social Care Community Services
- People and Place
- Reform
- Chief Executive
- Corporate and Commercial Services (including Capital & Treasury)

12.3 Work has also been undertaken to prepare cross cutting budget proposals where possible. Member support for Portfolio specific and cross cutting proposals has been demonstrated by proformas bearing the signatures of the relevant Cabinet Member.

12.4 A total of 35 Budget Reduction Proposals (BR1's) at a cumulative 2019/20 value of £7.829m with an FTE impact of 24.88 are now recommended for approval. These can be seen in summary at **Appendix 2** and in detail at **Appendix 3**. The proposed budget reduction values by Portfolio are shown in the table below.

Table 15 – Summary of Proposed Budget Reductions

Portfolio	2019/20 £000	2019/20 FTE	2020/21 £000
Health and Adult Social Care Community Services	(82)	0	(13)
People and Place	(869)	(1.00)	(2,103)
Reform	(513)	(12.88)	(250)
Chief Executive	(75)	0	0
Corporate & Commercial Services (including Capital & Treasury)	(6,290)	(11.00)	(2,250)
Total Budget Reductions	**(7,829)**	**(24.88)**	**(4,616)**

12.5 Three proposals (over and above the 35 proposals in this report) were originally issued for consultation. However following review and consideration of initial comments, these three proposals were withdrawn;

- CCS-BR1-246: Cessation of the Employee Assistance Programme (£0.022m):- Consultation with the trades unions highlighted considerable concern in regard to the impact this proposal would have had on employees, particularly at a time when there is continued change across the Authority.
- PPL-BR1-206: Funding of Officer from S106 Contributions (£0.035m):- Further review of this proposal has led to concerns about its viability and it was therefore withdrawn.
- REF-BR1-224: Reduction in staffing resources at Chadderton and Limehurst Libraries (£0.007m):- Following consultation the negative impact on residents was deemed disproportionate to the level of proposed savings.

12.6 Cabinet has recommended that Council accepts all the proposals included in the BR1's presented alongside this report. Assuming approval, the effect on the budget gap is summarised in the following table:

Table 16 – Revised Position after Budget Reduction Proposals

Estimated revenue position 2019/20 to 2020/21	2019/20 £000	2020/21 £000
Revised Gap / Budget Reduction Requirement	**21,916**	**15,063**
Budget Reduction Proposals	(7,829)	(4,616)
Revised Gap / Budget Reduction Requirement	**14,087**	**10,447**

12.7 This shows that the revised gap after the acceptance of the 35 Budget Reductions is at a value of £14.087m for 2019/20 with an estimated gap of £10.447m for 2020/21.

Flexible Use of Capital Receipts

12.8 As detailed in Section 10 of the report, the Authority is intending to utilise the flexibility of financing transformational projects by capital receipts up to the value of £3.000m.

Collection Fund Surplus

12.9 As detailed in Paragraph 9.27 the Council will use a surplus on the Collection Fund of £2.269m as a one off resource to support the 2019/20 budget.

12.10 Having applied the Flexible use of Capital Receipts and the Collection Fund Surplus to the budget gap, the resources required to balance the 2019/20 budget reduce to £8.818m as shown below. However, as one-off measures they increase the 2020/21 budget gap:

Table 17 – Revised Position after Further Budget Measures

Estimated revenue position 2019/20 to 2020/21	2019/20 £000	2020/21 £000
Revised Gap after Budget Reduction Proposals	**14,087**	**10,447**
Flexible Use of Capital Receipts	(3,000)	3,000
Collection Fund Surplus	(2,269)	2,269
Revised Gap / Budget Reduction Requirement	**8,818**	**15,716**

13 Use of Reserves

13.1 It is proposed to balance the revenue budget for 2019/20 by utilising additional reserves at a value of £8.818m as follows (all of which will increase the savings requirement for 2020/21)

- £0.250m of reserves approved as part of the budget setting process in 2016/17.
- £1.825m of GMCA Returned Resources in relation to the 100% Business Rates Pilot Surplus (see paragraph 10.6).
- £0.978m of reserves relating to Business Rates Retention Reserve – National Levy Account – Funding Returned in 2018/19 (see paragraph 8.19).
- £0.500m of resources made available by the 2017/18 100% Business Rates Pilot (see paragraph 3.24).
- £1.218m of resources, the anticipated benefit of the 2018/19 100% Business Rates Pilot (see paragraph 3.24)
- £0.157m from the Waste Smoothing Reserve to reflect the increased 2019/20 GMCA Levy – Waste Disposal Element (see paragraph 7.17)
- £3.890m to be funded by a one off use of corporate reserves.

Table 18 – Use of Reserves

Estimated revenue position 2019/20 to 2020/21	2019/20 £000	2020/21 £000
Revised Gap / Budget Reduction Requirement	**8,818**	**15,716**
Approved Use of Reserves 2016/17	(250)	
GMCA Returned Resources - Business Rates Pilot Surplus	(1,825)	1,825
Business Rates Retention Reserve - National Levy Account 2018/19 Surplus	(978)	978
Business Rates 2017/18 Pilot Scheme Gain	(500)	500
Business Rates 2018/19 Pilot Scheme Gain	(1,218)	1,218
Business Rates 2019/20 Pilot Scheme Gain		(1,413)
Waste Smoothing Reserve	(157)	157
Revised Net Gap/Budget Requirement	**3,890**	**18,981**
Use of Corporate Reserves	(3,890)	3,890
Revised Net Gap/Budget Requirement	**0**	**22,871**

13.2 The following table summarises all the actions proposed to balance the 2019/20 budget using a combination of revisions to estimates of £2.366m, one-off Government resources at £1.917m, budget reductions totalling £7.829m, Capital Receipts at a value of £3.000m, and Collection Fund surpluses of £2.269m. In addition a range of reserves are to be used, £0.250m use of reserves agreed in 2016/17, GMCA Business Rates Pilot Scheme surplus at a value of £1.825m, £0.978m use of reserves from the 2018/19 National Levy Account surplus, reserves arising from Business Rates Pilot Scheme Gains (£0.500m from 2017/18 and £1.218m from 2018/19), £0.157m from the Waste Smoothing Reserve and the use of Corporate Reserves totalling £3.890m.

Table 19 – Revisions to Estimates, Budget Reductions and Use of Reserves

Revisions to Estimates /Budget Reductions / Use of Reserves	2019/20 £000
Budget Gap as at 28 February 2018	**17,986**
Reversal of indicative future years savings submitted 2018/19	3,231
Reversal of Approved Use of Reserves 2016/17	250
Revised Gap / Budget Reduction Requirement	**21,467**
Adjustments to Estimates	2,366
Revised Gap after adjustments to estimates	**23,833**
Government Resources Payable in 2019/20	(1,917)
Revised Gap / Budget Reduction Requirement	**21,916**
Budget Reduction proposals	(7,829)
Revised Gap after Budget Reduction Proposals	**14,087**
Flexible Use of Capital Receipts	(3,000)
Collection Fund Surplus	(2,269)
Revised Gap / Budget Reduction Requirement	**8,818**
Approved Use of Reserves 2016/17	(250)
GMCA Returned Resources - Business Rates Pilot Surplus	(1,825)
Business Rates Retention Reserve - National Levy Account 2018/19 Surplus	(978)
Business Rates 2017/18 Pilot Scheme Gain	(500)
Business Rates 2018/19 Pilot Scheme Gain	(1,218)
Waste Smoothing Reserve	(157)
Revised Gap after Use of Specific Reserves	**3,890**
Proposed use of Corporate Reserves 2019/20	(3,890)
Revised Gap / Budget Reduction Requirement	**0**

13.3 It is acknowledged that the 2019/20 revenue budget is underpinned by the deployment of reserves. However, there are sufficient reserves to support this contribution to balancing the 2019/20 budget and thereby protecting services for as long as possible without exposing the Council to undue financial risk.

13.4 This approach also provides additional time to develop strategies to address the cumulative budget gap for 2020/21 and future years which will be challenging as pressures on vital services such as Children's Social Care increase and Government funding continues to reduce.

14 Reserves and Balances

14.1 The forecast year-end earmarked reserves position presented below reflects the estimated closing balance for 2018/19 and hence the total reserves available for the financial year 2019/20. However, this is before the proposed use of reserves of £8.818m as highlighted at Table 18.

Table 20 – Reserves Position

Earmarked Reserves	2018/19 Opening Balance £000	2018/19 Estimated Closing Balance £000
Adverse Weather Reserve	(1,500)	(1,500)
Balancing Budget Reserve	(7,264)	(8,818)
Council Initiatives Reserve	(5,178)	(3,963)
Demand Changes Reserve	(2,000)	(2,000)
Directorate Reserves	(4,477)	(2,595)
District Executives Reserve	(735)	(735)
Emergency and External Events Reserve	(2,671)	(2,616)
Fiscal Mitigation Reserve	(17,158)	(5,558)
Insurance Reserve	(14,933)	(12,933)
Integrated Working Reserve	(4,333)	(3,067)
Levy Reserve	(560)	(403)
Life Cycle Costs Reserve	(6,611)	(6,611)
Regeneration Reserve	(3,580)	(5,646)
Taxation/Treasury Reserve	(625)	(625)
Transformation Reserve	(11,104)	(8,576)
Total	**(82,729)**	**(65,646)**

14.2 Although the estimated level of reserves at the end of 2018/19 is £65.646m, this will be reduced by resources to balance the 2019/20 budget of £8.818m. In addition the call down of some of these reserves is committed into future financial years and so they are not available for alternative uses. However the final 2018/19 position will not be determined until the accounts are closed and traditionally the outturn revenue position has been healthier than the in-year forecast.

14.3 Having regard to all relevant information, the level of General Fund balances required to support the 2019/20 budget has increased from £13.991m to £14.250m. Under Section 25 of the Local Government Act 2003, the Chief Finance Officer is required to prepare a statement on the adequacy of proposed financial reserves and the robustness of the budget estimates. The statement is included in a report elsewhere on the agenda. Members are reminded, therefore, that any budget proposals have been subject to a risk assessment undertaken by the Director of Finance.

14.4 Members will be aware that at the Overview and Scrutiny Performance and Value for Money Select Committee meeting of 13 December 2018 a report was presented which discussed the importance of financial resilience within Local Government. It should be noted that the level of reserves and balances anticipated to be available for 2019/20 is deemed sufficient to underpin the financial resilience requirements of the Authority.

15 Fees and Charges

15.1 Attached at **Appendix 4** is the proposed fees and charges schedule for the 2019/20 financial year. An element of the charges have been uplifted following discussions with the Heads of Service and Cabinet Members, however a number are proposed to remain at the same level as the 2018/19 financial year. The proposed value and percentage increase for 2019/20 where applicable for each charge is included within the Appendix.

15.2 At this stage where services have proposed to increase fees and charges, due to volatility, any increases generated will mostly be used to offset inflationary pressures within that service. In addition, the take up of services is unknown and therefore is a variable which cannot be quantified at this time. The income targets overall will be increased by a modest sum of £0.020m as outlined in the budget reduction proposal CCS-BR1-240: Fees and Charges Additional Income. This position will be monitored throughout the 2019/20 financial year so any pressures or surpluses will be noted and addressed for 2020/21.

15.3 As with previous years there are a number of exclusions to the schedule. The following services set their charges based on current legislation and market conditions – planning, markets, hoardings rental, leased out buildings, lifelong learning accreditation fees, adult care charges and Oldham Leisure services.

15.4 Areas for consideration for 2019/20 are:

- New charges for groups at the Music Centre, new wheeled bins and waste admin charges, non-legal wedding services and food safety.
- Environmental services charges have been increased by the labour RPI rate of 3.4% as a basis. The additional charge for larger coffins has also been removed.
- Room Hire charges for the Link Centre have been revised to reflect the changes to the centre.
- Animal Licences legislation changed on 1st October 2018, therefore all charges have been revised in line with the new legislation.
- Recycling increase – the charge for domestic waste has been increased by the 2.4% inflation rate but the additional charges for trade waste recycling have increased by 5%. Compared to alternative providers, the charge is still very competitive without being discouraging.
- Taxi Vehicle and Drivers Licences – the cost of the licences are based on the number of licences issued and likely to be renewed. Charges have been increased to be above inflation with an average increase of 5%.
- Private Hire licencing - as with the vehicle and drivers licences these are based on the number issued and likely to be renewed. Charges for 2019/20 will remain as the 2018/19 price.
- Commercial Pest Control – there are a range of annual contracts for commercial premises all of which have had an increase above inflation at an average of 7%.
- Legal Certificates – In line with set legislation, from April 2019 the birth, death, marriage and civil partnership certificates have a statutory charge of £11 and the same day certificate has a statutory charge of £35.

15.5 As usual, the fees and charges relating to educational establishments and schools e.g. lifelong learning, outdoor education, music, adult and child school meals and swimming will be reviewed in line with the academic year and any resulting changes will commence from September 2019. The changes for these areas included within the Appendix relate to charges from September 2019.

15.6 Members will recall that on 18 September 2017, as detailed in paragraph 4.19, the Income Strategy 2018/19 to 2021/22 was approved by Cabinet. Traded Services and other chargeable activities form part of this strategy with a Traded Services review underway looking at the following areas:

- the extent to which costs are recovered from fees and charges;
- which services are subject to income generation targets and to establish whether such targets are achievable and sustainable;
- the rationale behind specific tariff structures, charges and concessions and whether this remains appropriate; and
- whether alternative delivery models need to be considered in order to modernise service provision and fully recover costs through charging.

15.7 Included within the budget proposals is a budget reduction for 2019/20 which anticipates the benefit arising from the outcome of the Traded Services review.

15.8 The Overview and Scrutiny Performance and Value for Money Select Committee, at its meeting on 24 January 2019, specifically scrutinised in detail the proposed fees and charges schedules for the 2019/20 financial year and Members were content to commend the schedules to Cabinet without additional comment. Cabinet has also accepted the proposed fees and charges and as such commends them to Council

16 Pay Policy Statement

16.1 Included at **Appendix 5** is the Council's Pay Policy Statement. This Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 to 43 of the Localism Act 2011, which requires approval of the Statement through full Council. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees, with particular emphasis on the level of remuneration for our most senior staff.

17 Council Tax and Adult Social Care Precept Levels

17.1 Section 9 sets out Council Tax and the Adult Social Care Precept proposals for 2019/20.

17.2 It is recommended that a 1.99% general increase to Council Tax is applied for 2019/20 together with a 2% increase in the Adult Social Care Precept. This represents an overall increase of 3.99% in Council Tax for Oldham Council services.

17.3 Oldham Council Band D Council Tax for 2019/20 is therefore recommended to be £1,624.36 of which £118.02 relates to the Adult Social Care Precept.

Impact of Decisions of Precepting Authorities

17.4 Whilst the spending decisions of precepting Authorities do not affect the level of resources available to the Council, they do affect the amount of Council Tax that is charged to Oldham citizens. The major preceptor is the GMCA which precept for two components:

Mayoral Police and Crime Commissioner Precept

17.5 As detailed in paragraph 8.4, the GM Mayor as Police and Crime Commissioner, is able to propose an increase to the Police precept by up to £24 in 2019/20 (double the amount allowed in 2018/19). Following a period of consultation with residents, the Mayor proposed the Mayoral Police and Crime Commissioner Precept to the Police and Crime Panel on 31 January 2019. The proposal was to increase the precept by the full allowable £24 per household in 2019/20 to set an overall Band D precept of £198.30. The revised precept was formally considered and agreed at the GMCA budget setting meeting on 15 February 2019.

Mayoral General Precept (including Fire Services)

17.6 The Mayor proposed the Mayoral General Precept, to the GMCA, on 25 January 2019. The proposal was to set an overall Mayoral General Precept of £76.95 (Band D) comprising of £59.95 for functions previously covered by the Fire and Rescue Authority precept (no change) and £17.00 for other Mayoral General functions (an increase of £9.00 for 2019/20). GMCA formally approved the precept at the GMCA budget setting meeting on 15 February 2019.

Parish Precepts

17.7 On 28 January 2019, Saddleworth Parish Council agreed a 4.82% increase to its Council Tax to produce a Band D charge at a value of £21.76 (an increase of £1.00). Including an increase in the tax base to 8,627, this results in a total precept of £187,724. For 2019/20 the increase equates to £0.011m additional income.

17.8 On 11 February 2019, Shaw and Crompton Parish Council agreed a 1.97% increase to its Council Tax to produce a Band D charge at a value of £16.53 (an increase of £0.32). Including an increase in the tax base to 5,438, this results in a total precept of £89,890. For 2019/20 the increase equates to £0.003m additional income.

17.9 The total increased income for all Parish elements for 2019/20 will be £0.014m, generating a total Parish Precept of £0.278m.

Draw on Collection Fund

Council Tax

17.10 Taking account of the approved Council Tax Base of 56,693 for 2019/20 and the Council Tax and Adult Social Care Precept proposals set out in Section 9 of the report, the sums to be drawn from the Collection Fund for Council Tax in 2019/20 are:

Table 21 – Draw on the Collection Fund

Precepting Body	2019/20 £000
Oldham Council including Social Care Precept	92,090
Mayoral Police and Crime Commissioner Precept	11,242
Mayoral General Precept (including Fire Services)	4,363
Saddleworth Parish Council	188
Shaw & Crompton Parish Council	90
TOTAL	107,973
Less: contribution from Parish Taxpayers	(278)
TOTAL Draw on Collection Fund for Major Preceptors	107,695

17.11 The 2019/20 Band D Council Tax is clearly shown in the table below for Oldham Council services, major preceptors and Parish Councils.

Table 22 – Band D Council Tax

Council Tax Raising Body	2018/19 £	2019/20 £	Change %
Oldham Council	1,562.04	1,624.36	3.99%
Mayoral Police and Crime Commissioner Precept	174.30	198.30	13.77%
Mayoral General Precept (including Fire Services)	67.95	76.95	13.25%
TOTAL BAND D COUNCIL TAX	**1,804.29**	**1,899.61**	
Saddleworth Parish Council	20.76	21.76	4.82%
Shaw & Crompton Parish Council	16.21	16.53	1.97%

17.12 The Band D Council Tax for non-parished areas of Oldham including major precepts will therefore be £1,899.61.

17.13 The full proposed Council Tax levels and bandings are attached at **Appendix 9**

18 Overall 2019/20 Revenue Budget Strategy

18.1 The key elements of the 2019/20 revenue budget strategy are:

- The revised budget gap of £21.916m for 2019/20;
- The budget reduction proposals set out in Section 12 of the report;
- The approach to reserves and balances set out in Section 13 of the report; and
- Council Tax and Adult Social Care Precept levels set out in Section 17 of the report.

18.2 Having regard to the issues outlined at 18.1, the overall budget strategy for 2019/20 can be summarised as follows:

Table 23 – Overall Budget Strategy

Budget Strategy	2019/20	
	£000	£000
Directorate budget requirements	231,941	
Budget Reduction Proposals excluding use of reserves	(7,829)	
Budget for 2019/20 before use of reserves		224,112
Less Government Funding		
- Business Rates Top Up	(40,653)	
- Grants in Lieu of Business Rates	(10,503)	
- Improved Better Care Fund Grant - Settlement 2015	(8,150)	
- Improved Better Care Fund Grant - Spring Budget 2017	(1,586)	
- Independent Living Fund (ILF) Grant	(2,580)	
- 2019/20 Winter Pressures Grant	(1,122)	
- 2019/20 Social Care Support Grant	(1,917)	
- 2019/20 Brexit Preparation Grant	(105)	
- Housing Benefit Administration Grant	(759)	
- Council Tax Administration Grant	(362)	
- New Homes Bonus Grant	(961)	
- Department for Work and Pensions (DWP) - New Burdens Grant	(104)	
- DWP - Implementation of Universal Credit Grant	(68)	
- Flexible Homelessness Support Grant	(194)	
- Homelessness New Burdens Grant	(62)	
- Lead Local Flood Authority Grant	(12)	
		154,974
Less		
GMCA Grants		
- Mayoral Grant	(693)	
		154,281
Less		
Retained Business Rates	(50,826)	
Collection Fund Surplus	(2,269)	
Parish Precepts	(278)	
		100,908
Add Precepts		
Mayoral Police and Crime Commissioner Precept	11,242	
Mayoral General Precept (including Fire Services)	4,363	
Total Council Tax Required (A)		116,513
Current Council Tax, adjusted for Tax Base (B)		107,695
Difference (A-B)		8,818
This additional expenditure is being funded by resources from appropriations from earmarked reserves		

18.3 If the proposals in this report are approved, the revised revenue budget position for 2019/20 and 2021/22 would be as set out in detail at **Appendix 6** and the summary for 2019/20 to 2023/24 is set out at **Appendix 7**. This presents a balanced position for 2019/20, a budget gap of £22.871m for 2020/21, and budget gaps of £10.889m for 2021/22, £6.859m for 2022/23 and £4.160m for 2023/24.

18.4 Taking all the information in this report into account, the indicative 2019/20 net revenue budget by portfolio and directorate is presented at **Appendix 10**.

19 Budget Strategy and Medium Term Financial Planning for Future Years

19.1 As the Council prepares a Medium Term Financial Strategy spanning five financial years, currently 2019/20 to 2023/24, it requires continuous review as local, regional and national policies develop. In addition, existing financial challenges are subject to change and new issues emerge. Each new issue or change has an impact, sometimes on a one off basis, but more commonly, a multi-year effect. Estimates are prepared based on the best information currently available and after the 2019/20 budget has been finalised, the cycle of reviewing the budget reduction requirement for 2020/21 and future years will begin again.

19.2 It is anticipated that based on established working practices budget reduction proposals will be developed and brought forward for detailed review and scrutiny during 2019/20.

19.3 As the report highlights, there is a significant budget reduction target for 2020/21. Six budget reduction proposals totalling £4.616m have an impact on the financial position for 2020/21 leaving a balance of £22.871m to be addressed. As the 2020/21 financial planning cycle progresses, a key task will be to review these proposals to ensure that the suggested level of saving still remains deliverable. This budget reduction requirement in part reflects the use of reserves and other one off measures to balance the 2019/20 budget.

19.4 The overarching challenge in preparing a MTFS is that Central Government has only advised of guaranteed funding allocations on major funding streams until the end of 2019/20, in line with the submission by the Council of an Efficiency Plan in September 2016. This is disappointing but not unexpected and it does make it extremely difficult to confidently predict the budget reduction requirement for financial years beyond 2019/20. Estimates have therefore been prepared based on a number of assumptions as set out below.

Government Funding beyond the Current Spending Review period

19.5 The current four year Comprehensive Spending Review (CSR) period comes to an end in 2019/20. The Government has provided virtually no indication of the level of funding Local Authorities can expect to receive for 2020/21 and beyond. Recent announcements by the Chancellor advising that the austerity period was drawing to a close have given some hope that Local Government may start to receive additional resources or to have a reduced level of funding cuts. The LGFS has not demonstrated this to any great extent.

19.6 The period covered by the next CSR is unclear (three or four years), but its details will be issued before 2020/21 and this will include information about the funding envelope for the public sector as a whole and Local Government in particular. To date the only certainty is that there will be a:

- Move to 75% Business Rates retention nationally from 2020/21;
- Resetting of baselines from which Business Rates funding allocations will be determined; and
- Fair Funding Review which will examine the relative needs and allocation of resources between Authorities.

19.7 This clearly means that the development and provision of longer term financial forecasts is extremely challenging. Therefore whilst this report includes forecast budget reduction requirements of £22.871m for 2020/21, £10.889 for 2021/22, £6.859m for 2022/23 and £4.160m for 2023/24, Members must consider these forecasts as indicative only and should also note the Government has provided no information on:

- The future of Business Rates Top Up Grant and how this could be impacted by 75% Business Rates Retention or the fair funding review;
- Whether Grants in lieu of Business Rates will continue to be provided or rolled into Top Up grant which will likely increase funding for some Councils and reduce it for others;
- Whether major funding support for Adult Social Care in the form of Adult Social Care Precept and Improved Better Care Fund resources will continue beyond 2019/20;
- The continuation of the Social Care Grant which Government has provided to support either Adults or Children's Social Care, or if the national issues around the funding of Children's Social Care will be addressed
- Intent with regard to Council Tax, particularly in terms of the Adult Social Care Precept, future referendum criteria and longer term plans for reform.

19.8 The cessation of some of these funding streams and restrictions on the ability to raise revenue through local taxation could significantly worsen the projected budget reduction requirements for 2020/21 and future years.

19.9 Through the austerity programme, the Government has encouraged Councils to become financially self-sufficient through efficiency measures and local income generating initiatives. The estimates included in this report reflect a continuation of this approach, and so baseline funding levels and associated top up grant payments are assumed to continue to fall in line with reductions over recent years. However it is recognised that the CSR and changes to the Local Government finance regime could reset this position.

Impact of Brexit

19.10 Brexit is the most significant current national issue that could impact on the future level of resources available to Councils. Similarly there may be costs arising from Brexit. In addition to the small grant already notified it is expected that the Government will provide new burdens funding to support increased expenditure levels. However, it is impossible to factor the implications of Brexit into budget planning, albeit that the Council, as discussed below, will ensure that reserves are available to support any in-year changes to funding allocations or unexpected expenditure.

Other Challenges to Forecasting

19.11 Inflation and interest rates in particular will influence the level of cost pressure the Council will face in the medium term; something which is always challenging to deal with in an uncertain economic environment.

19.12 At the local level, Business Rates revenue continues to present specific forecasting challenges due to general volatility surrounding Business Rates income, the impact of appeals and changes in Government policy around Business Rates reliefs.

19.13 Estimates may require amending as a result of new legislation implemented across the period of the MTFS. In addition there may be legal challenge to current legislation that if successful could impact on the financial position of the authority, for example the recent appeal against an HMRC ruling on sleep in allowances.

Local Policies and Strategies

19.14 Despite the challenges, the Council has developed a range of medium term strategies (detailed in Section 4 of this report) which are designed to make a positive contribution to the Council's financial standing and support the Oldham Plan and Corporate Plan also set out in Section 4. These include the:

- Capital Strategy
- Treasury Management Strategy
- Income Strategy
- Commercial Property Investment Strategy
- Medium Term Property Strategy
- Procurement Policy
- Housing Strategy
- Get Oldham Working Initiative
- Oldham Work and Skills Strategy
- Education Provision Strategy
- Strategy for Children and Young People aged 0-25 with Special Educational Needs and Disabilities (SEND)
- Oldham Education and Skills Commission (OESC)
- People Strategy
- IT Strategy
- Climate Change Strategy
- Local Flood Risk Management Strategy

19.15 Alongside the above strategies, there are several key service developments which will inevitably impact on the Council's medium term budget strategy and associated financial planning. A summary of these developments is set out in the following paragraphs.

Town Centre Vision and Borough Wide Regeneration

19.16 The regeneration of Oldham town centre is a Council priority with a number of major schemes either having been completed or are currently in train. During 2018/19 the vision for the town centre was revisited and in 2019/20 work will be taken forward with the Oldham Museum of Arts / Archives (OMA) and the Tommyfield market as priorities. The finalisation of the town centre vision will determine specific projects, and the extent of the resources required.

19.17 There are also ambitious plans for the regeneration of the borough as a whole with a first phase of investment in Royton and projects in train at Hollinwood and Foxdenton.

19.18 The Council will work within the wider context of the Greater Manchester Strategic Investment Framework and other initiatives, such as One Public Estate to ensure that it is in an optimal position to obtain any available grant funding to support development in Oldham.

19.19 There is funding within the capital and revenue budgets to support the regeneration across the borough and the town centre. This investment will bring future benefits to Oldham through additional Business Rates and Council Tax revenue derived from economic and housing growth. Financial resource implications will be developed as plans progress and will be included in the MTFS as and when information is available.

Developing the Co-operative Agenda

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

Bids for External Funding

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

Future Operating Model

19.22 The developments set out above coupled with the enhancement of revised working arrangements between the Council and its strategic delivery partners will have implications for the structure of Council and the operating model the Council adopts to deliver services in the future. As well as being prompted by policy and service developments, continuing the transformation of the Council's operating model will be necessary to support the delivery of future savings requirements and a sustainable balanced budget position.

The Approach to Transformation and Identifying Budget Reductions

19.23 The significant financial challenge the Council is facing means that there will need to be an acceleration of the existing programme of transformation to deliver a sustainable balanced budget with a reduced reliance on one off measures. This transformation agenda will continue to focus on a number of key areas of the operating model.

Property and Assets

19.24 Developing the existing programme of work on the use of property and assets which is already planned to generate budget reductions in 2019/20 and future years will support service transformation. In particular this will take forward the approved Medium Term Property Strategy to maximise the benefit from the corporate estate by developing property disposal and procurement routes that will ensure the Council is able to shape and maintain a property portfolio that will support service delivery and contribute a sustainable income stream.

19.25 In addition the rationalisation of the Council's office accommodation will be enhanced. Where possible, co-locating staff with partners to maximise efficiencies and realise the potential of 'One Public Estate' for Oldham and Greater Manchester but also to drive forward integrated working across the public sector, building on the achievements made with Oldham Cares partners.

Joint Working and Integration

19.26 As advised earlier in the report, and linked to the property and assets issues above, good progress continues to be made with regard to Health & Social Care integration. Oldham Council and Oldham CCG are working under a joint leadership structure and together with other health partners are operating as Oldham Cares. There are ambitious plans for the improvement of the delivery of health and social care with structure implementation arrangements and this aims to ensure the future financial sustainably of the local health and social care economy.

19.27 Linked to the health and social care devolution agenda is the opportunity to develop closer working arrangements with other partners including other GM Authorities and the GMCA. The Council will look to build on the existing collaborative working arrangements and sharing of services as a means to deliver future financial and operational efficiencies. Locally a model of integrated delivery continues to be developed to complement health and social care integration in neighbourhoods, where closer working with police, housing providers, Voluntary, Community, Social, Faith and Enterprise (VCSFE) organisations and others is improving operational efficiency and effectiveness whilst also strengthening local engagement and enabling communities to contribute more significantly to improving outcomes.

19.28 It is inevitable that change of the magnitude envisaged will take time to be developed. So far therefore the MTFS does not rely on any significant financial benefits arising from the integration agenda, however, this is a key strand for development over the life of the MTFS.

Use of New Technology

19.29 The opportunity to utilise the advantages provided by new technology is the foundation upon which much of the Council's change agenda will be driven including integrated working arising from health and social care devolution. The Council's IT strategy is determining the direction of travel and is supported by £11.377m of Capital Programme investment. This investment will enable new and more efficient ways of working and will improve citizens' access to Council services. It also improves the business intelligence supporting service delivery decisions.

19.30 A key strand of this investment is the Resident First programme which is aligned to improving the Council's digital offer to the people of Oldham which in the first phase has concentrated on the on-line service offer. There are three key strands to the programme:

- Design and plan what would work better
- Buy, upgrade or adapt systems and processes
- Implement change with support for users and communicate change to residents

19.31 Over the next couple of years the 'digital by design' platform will be expanded by:

- Reducing mediated service costs across the whole organisation by 50%
- Reducing service costs by 20% through digitalisation of the lines of service that make up 80% of the requests from residents

19.32 As outlined in the budget reduction proposal (CCS-BR1-227 – Digital by Design), the intention is to remove £2m of costs within the next two years. However, the digital agenda will continue to be rolled out so that new technology will support residents to be independent and in control and to continue to make the Council more efficient though the effective use of technology. The ambition is to make Oldham a digital destination for business.

Commercial Activities

19.33 Developing existing work will ensure that the Council and partners continue to maximise funding opportunities including through commercial activities. This will ensure that the strands of the income strategy and corporate property investment strategy are delivered, especially with regard to the priority of diversifying the Council's income stream.

19.34 Underpinning these areas of work will be:

- An approach to service delivery where the Council (and its partners) will be making new strategic choices based on the characteristics of Oldham, its people and communities within the borough, thus constantly striving for new opportunities for collaboration and new ways of working between organisations that share a common footprint.

- A review of the provision of discretionary services and also the level at which statutory services are delivered. This is in part shaped by recent statements emanating from evidence at the House of Commons Public Accounts Committee indicates that Government is focussing on ensuring that the Government provides enough resources to enable Councils to deliver statutory services.

Specific Initiatives – Review of Car Allowances and Additional Bus Lane Enforcement

19.35 Two specific initiatives, as identified in the 2019/20 budget process will be developed further and considered for potential adoption in the 2020/21 budget, these are:-

a) Review of Car Allowances;
Consideration in 2019/20 of car allowances as part of a wider review of the reward and recognition package.
b) Additional Bus Lane Enforcement;
Consideration of the enforcement of an additional bus lane once the current bus lane proposals are implemented and shown to be effective.

Reserves and Balances

19.36 In the light of the risks and uncertainties highlighted in the report, it is important to maintain a healthy and robust level of reserves and balances to manage uncertainty in both the current and next spending review period. Based on the level of reserves and balances as set out in Section 14 of the report, the Council meets this requirement. If there is a continued call on reserves to support future budget processes, then this position may change and this may require additional attention.

20 Options/Alternatives

20.1 The options as follows:

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

21 Preferred Option

21.1 Option 1 is the preferred option. Council approves the 2019/20 budget as presented in this report including £7.829m of budget reduction proposals, the use of reserves of £8.818m (of which £3.890m are corporate reserves) and that Council Tax levels are set as recommended in this report. The Council has a statutory duty to set a balanced budget and the budget reductions included in this report along with the other measures proposed including the use of reserves fulfil that requirement.

22 Consultation

22.1 A key element of the budget consultation process is scrutiny of the budget and budget proposals by the Overview and Scrutiny Performance and Value for Money Select Committee. It considered a version of this report at its meeting on 24 January 2019. The members of the Select Committee questioned and challenged assumptions and issues outlined in the report. There was also detailed scrutiny of the 35 budget reduction proposals and proposed changes to fees and charges. The Select Committee accepted the responses to the questions and was therefore content to commend the report to Cabinet for consideration. The report was considered, approved and commended to Council by Cabinet at its meeting on 11 February 2019.

22.2 A further meeting of the PVFM Select Committee took place on 5 February 2019 to consider the budget amendments put forward by the main Opposition Party. Whilst the PVFM Select Committee did not accept the budget amendments it did recommend that Cabinet consider recommending two actions for inclusion within the 2020/21 budget setting process. Cabinet was content to make such recommendations to Council and information in this regard is included at Section19 of this report.

22.3 There has been extensive staff consultation in relation to a range of the budget reduction proposals and comments in this regard are set out at Section 26.

22.4 Public consultation was carried out on four proposals that had been identified as requiring feedback and input from residents and local businesses. Consultation opened in November and closed on 14 February 2019. In total over 350 responses were received across the proposals and overall these are considered to be broadly in favour of the options that had been proposed. Further engagement will be carried out following formal approval / rejection at Full Council on 27 February, as part of the implementation process. We will also continue to update local businesses via the council's monthly business update newsletter as and when appropriate.

22.5 The Schools Forum has been consulted on the proposed allocation of resources via the Schools Funding Formula and has agreed the recommended approach.

22.6 The Council has submitted responses to the MHCLG on all key consultation documents.

23 Financial Implications

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

24 Legal Services Comments

24.1 Legal issues are addressed in the body of the report. The Council has a legal obligation to pass a resolution to agree its budget and Council Tax resolutions by 11 March 2019.

(Colin Brittain)

25 Co-operative Agenda

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

26 Human Resources Comments

26.1 High level union and staff engagement on corporate budget options commenced on the 5 November 2018 in order to give an overview of where savings were being considered and the Council's initial thoughts on how these may be delivered.

26.2 The S188 document starting formal consultation on the budget reduction proposals was issued to the recognised trade unions on the 14 November 2018, indicating a potential 24.88 FTE reductions within a rolling 90 day period during 2019. As such there was a requirement for the Council to consult for a minimum of 45 days in relation to potential redundancies arising from the corporate budget reduction programme.

26.3 Consultation on those options being presented to Council ended on 14 February 2019 in order to allow for full consideration of any comments or alternatives submitted by unions or staff to be prior to any final decisions at the Council meeting.

26.4 Proper and meaningful consultation has to be exhausted in advance of the approval and subsequent implementation of any new arrangements. This is currently on track with consultation having been completed on all but one of the budget options; this being BR1 229 "Review of Design and Assurance" with 10 FTE potential job losses within the Reform Directorate. It is appreciated that the savings are part year and not expected to be achieved before September 2019, as such the proposals are still being developed. The trades unions are aware of this and have been assured of early engagement as the proposals are developed in advance of the commencement of formal consultation. As such, Council will be required to make a decision on the savings to be achieved within this directorate but the method by which this will be achieved must be subject to separate and meaningful consultation and amendment.

26.5 It should also be noted that whilst formal consultation has ended on the People Services restructure element of option BRI 253 "Review of Existing Spend" within Corporate and Commercial Services, feedback received is being reviewed and this may result in a short period for additional consultation with all key stakeholders in the event that there are any significant changes.

26.6 People Services and the HR Advisory Service within Unity have worked with the Directorates to ensure that the proper process was followed and that the staff and unions have had (and will have) the opportunity to share their views and input on the final outcomes.

(Sally Blackman)

27 Risk Assessments

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

(Mark Stenson)

28 IT Implications

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

29 Property Implications

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

30 Procurement Implications

30.1 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.

31 Environmental and Health & Safety Implications

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

32 Equality, community cohesion and crime implications

32.1 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.

32.2 Demonstrating that “due regard” has been given involves:

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

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

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

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

32.4 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.

32.5 In December 2010, the Government announced that it would not be taking forward the socio-economic duty for public bodies. Despite this the Council has continued to consider people on low incomes as part of our equality impact assessment process.

32.6 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.

32.7 Oldham's EIA form is based on the experience of previous years and incorporates elements from good practice elsewhere. The main aims of our current EIA are to:

- strengthen the process through improved accountability – identifying a lead officer for each EIA;
- stimulate a more rigorous and overt analysis of the impact and possible mitigations; and
- implement a stronger equality monitoring and management process to ensure that we follow through on what we said we would do. This includes identifying risks to implementation and how these will be managed.

32.8 The EIAs attached to the budget proposals are the final EIAs as no public consultation is required for those options.

32.9 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.

32.10 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 initial screening does not accurately identify those equality groups potentially affected and that a further screening process needs to be completed.

32.11 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.

32.12 A key element to assessing the equality impact has been the involvement of elected Members. This involvement has included:

- Consideration of equality impacts throughout the Leadership Star Chamber process, including through the initial screenings on the proposal forms and a briefing paper.
- Briefings between 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, were submitted to, and considered by PVFM Select Committee. NB: Where public consultation was required, the EIA forms were still in draft form at that stage.
- Final EIAs are available to Members alongside the budget reduction proposals included in this report.

(Jonathan Downs)

33 Key Decision

33.1 Yes

34 Key Decision Reference

34.1 FCR-15-18

35 Background Papers

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

File Ref:	Background papers are contained in Appendices 1 to 10
Officer Name:	Anne Ryans / Neil Stott
Contact No:	0161 770 4902 / 5060

36 Appendices

- Appendix 1 - Current Budget Position 2019/20 to 2020/21
- Appendix 2 - Full Summary – Budget Reductions
- Appendix 3 - Detailed Budget Reduction Proposals and Draft Equality Impact Assessments
- Appendix 4 - Proposed 2019/20 Fees and Charges Schedules
- Appendix 5 - Pay Policy Statement 2019/20
  - 5a – Table 1: Senior Management Remuneration
  - 5b – Chart 1: Family tree of officers earning over £50k
  - 5c – Table 2: Salaries expressed as a ratio of the Chief Executive as at December 2018
- Appendix 6 - Final Budget Position 2019/20 to 2020/21
- Appendix 7 - Summary Final MTFS Position 2019/20 to 2023/24
- Appendix 8 - Council Tax Tax Base 2019/20
- Appendix 9 - Council Tax 2019/20
- Appendix 10 - Indicative Net Revenue Budget Presentation 2019/20

Appendix 1 - Current Budget Position 2019/20 to 2020/21

Estimated revenue position 2019/20 to 2020/21	2019/20 £000	2020/21 £000
Prior Year Net Revenue Budget	**221,453**	**213,025**
Adjustment to Base Budget - Approved One off Use of Reserves	0	250
Add back one off savings from 2018/19	300	0
Adjustment for new one off funding in 2018/19	(4,532)	0
Removal of 2018/19 Extended Rights to Free Travel Grant	(26)	0
Adjustment for one off funding for Early Help	(689)	(750)
Reduction in New Adult Social Care Funding	(3,902)	(1,586)
Adjustment for one off funding in 2019/20 Winter Pressures Grant	0	(1,122)
Adjustment for one off funding in 2019/20 Social Care Support Grant	0	(1,917)
Adjustment for one off funding in 2019/20 Brexit Preparation Grant	0	(105)
Adjustment for one off funding in 2019/20 - Flexible Homelessness Support Grant	0	(194)
Adjustment for one off funding in 2019/20 - Mayoral Bus Reform Grant	0	(693)
DWP - Reduction in funding for Universal Credit	(155)	0
Adjustments to the Base Budget	(9,004)	(6,117)
Revised Base Position	**212,449**	**206,908**
- Passporting of Adult Social Care Precept (ASCP)	1,771	1,858
- ASCP Taxbase Growth	89	57
- Passporting of Increased Adult Social Care Grants	6,171	0
- Demand pressures Children's Services	4,611	928
- Pay Inflation	1,884	1,347
- Contractual Inflation	878	896
- Pensions	0	1,681
- GMCA Levy - Waste Disposal Element	585	311
- GMCA Levy - Transport Element	251	418
- GMCA Levy - Contributions to GM-Wide Activities	0	0
- Environment Agency Levy	2	2
- Investment Fund	3,653	4,417
- Flexible Homelessness Support	194	0
- Early Help	750	0
- Brexit Preparations	105	0
- Development Fund	0	1,000
- Software Licenses	250	0
- Street Cleaning	240	180
- Coroners Service	180	20
- Home to School Transport	175	0
- Building Control Fees	167	0
- Get Oldham Working	140	0
- Accommodation Costs - Public Health	382	0
- New Burdens and Service Transfers	0	23,782
- Revised Parish Precept	14	0
Expenditure Pressures Total	22,492	36,897
Total Expenditure	**234,941**	**243,805**

Estimated revenue position 2019/20 to 2020/21	2019/20 £000	2020/21 £000
Funded By:		
Government Grant		
- Business Rates Top Up	40,653	55,324
- Grants in Lieu of Business Rates	10,503	8,007
- Revenue Support Grant	0	0
- Public Health Grant	0	15,999
- Improved Better Care Fund Grant - Settlement 2015	8,150	8,150
- Improved Better Care Fund Grant - Spring Budget 2017	1,586	0
- Independent Living Fund (ILF) Grant	2,580	2,500
- 2019/20 Winter Pressures Grant	1,122	0
- 2019/20 Social Care Support Grant	1,917	0
- 2019/20 Brexit Preparation Grant	105	0
- Housing Benefit Administration Grant	759	701
- Council Tax Administration Grant	362	340
- New Homes Bonus Grant	961	358
- Department for Work and Pensions (DWP) - New Burdens Grant	104	0
- DWP - Implementation of Universal Credit Grant	68	0
- Flexible Homelessness Support Grant	194	0
- Homelessness New Burdens Grant	62	0
- Lead Local Flood Authority Grant	12	12
Total Government Grant Funding	69,138	91,391
GMCA Grants		
- Mayoral Grant	693	0
Total GMCA Grants	693	0
Locally Generated Income		
- Retained Business Rates	50,826	40,490
- Council Tax Income	85,399	87,977
- Adult Social Care Precept 2016/17	1,579	1,592
- Adult Social Care Precept 2017/18	1,638	1,652
- Adult Social Care Precept 2018/19	1,703	1,718
- Adult Social Care Precept 2019/20	1,771	1,786
- Adult Social Care Precept 2020/21	0	1,858
- Parish Precepts	278	278
Total Locally Generated Income	143,194	137,351
Revised Budget Funding	**213,025**	**228,742**
Budget Gap	**21,916**	**15,063**

Summary of Budget Reduction Proposals

Appendix 2

Reference	Proposal Name	Responsible Officer	Cabinet Member	2019/20 Proposed Budget Reduction £000	2019/20 Proposed FTE Reduction	2020/21 Proposed Budget Reduction £000	2021/22 Proposed Budget Reduction £000	Totals Proposed Budget Reduction £000	Totals Proposed FTE Reduction	EIA Required?	Appendix 3 Page No.	Reports Pack Page No.
Directorate : Health and Adult Social Care Community Services												
SERVICE : Commissioning												
HAS-BR1-237	Day Care Services	Mark Warren	Cllr Z Chauhan	(37)	0.00	(13)	0	(50)	0.00	Yes	1	313
HAS-BR1-238	Community Transport	Mark Warren	Cllr Z Chauhan	(45)	0.00	0	0	(45)	0.00	Yes	9	321
Directorate : People and Place												
SERVICE : Environmental Management												
PPL-BR1-209	Reduction in budget supporting North West In Bloom works	Glenn Dale	Cllr A Shah	(50)	0.00	0	0	(50)	0.00	No	25	337
PPL-BR1-212	Charge for full length kerbs in designated areas	Glenn Dale	Cllr A Shah	(13)	0.00	0	0	(13)	0.00	No	29	341
PPL-BR1-213	Reduction in Administrative Support	Glenn Dale	Cllr A Shah	(18)	(1.00)	0	0	(18)	(1.00)	No	33	345
PPL-BR1-214	Reduction in maintenance costs following purchase over hire programme	Glenn Dale	Cllr A Shah	(25)	0.00	0	0	(25)	0.00	No	37	349
SERVICE : Fleet Management												
PPL-BR1-217	Fleet Savings	Craig Dale	Cllr A Shah	(90)	0.00	0	0	(90)	0.00	No	41	353
SERVICE : Highways Operations - Unity												
PPL-BR1-218	Highways IT and mobile working savings	Craig Dale	Cllr A Shah	(20)	0.00	0	0	(20)	0.00	No	45	357
SERVICE : Public Protection												
PPL-BR1-208	Increase in Pest Control Income/Fees	Neil Crabtree	Cllr A Shah	(10)	0.00	0	0	(10)	0.00	No	49	361
SERVICE : Soft Facilities Management												
PPL-BR1-233	Additional Bus Lane Enforcement	Peter Wood	Cllr A Shah	(132)	0.00	(103)	0	(235)	0.00	No	53	365
SERVICE : Street Lighting												
PPL-BR1-207	Revised Performance Standards	Carol Brown	Cllr A Shah	(11)	0.00	0	0	(11)	0.00	No	58	370
SERVICE : Corporate Landlord												
PPL-BR1-202	Property Savings and Accommodation Review	Peter Wood	Cllr S Fielding	(500)	0.00	(2,000)	(2,000)	(4,500)	0.00	No	62	374
Directorate : Reform												
SERVICE : District Partnerships												
REF-BR1-248	Review of District Working	Rebekah Sutcliffe	Cllr S Fielding	(70)	0.00	0	0	(70)	0.00	Yes	66	378
SERVICE : Executive Support												
REF-BR1-230	Review of Executive Support Function and non pay budgets	Lewis Greenwood	Cllr S Fielding	(30)	(1.00)	0	0	(30)	(1.00)	No	72	384
SERVICE : Policy												
REF-BR1-229	Review of Design and Assurance	Rebekah Sutcliffe	Cllr S Fielding	(250)	(10.00)	(250)	0	(500)	(10.00)	No	76	388
SERVICE : Heritage Libraries and Arts												
REF-BR1-201	Oldham Library and Lifelong Learning Service - ICT Services	Sheena Macfarlane	Cllr P Jacques	(70)	0.00	0	0	(70)	0.00	No	81	393
REF-BR1-225	Reduction in library casual staff budget	Sheena Macfarlane	Cllr P Jacques	(10)	0.00	0	0	(10)	0.00	No	85	397
REF-BR1-242	Reduction in grants to cultural organisations	Sheena Macfarlane	Cllr P Jacques	(9)	0.00	0	0	(9)	0.00	No	89	401
REF-BR1-243	Reduction in Business Support Staff for Oldham Music Service	Sheena Macfarlane	Cllr P Jacques	(24)	(1.00)	0	0	(24)	(1.00)	No	94	406
SERVICE : Public Health (Client and Delivery)												
REF-BR1-234	Get Oldham Growing	Katrina Stephens	Cllr A Shah	(50)	(0.88)	0	0	(50)	(0.88)	Yes	98	410

Reference	Proposal Name	Responsible Officer	Cabinet Member	2019/20		2020/21	2021/22	Totals				
				Proposed Budget Reduction £000	Proposed FTE Reduction	Proposed Budget Reduction £000	Proposed Budget Reduction £000	Proposed Budget Reduction £000	Proposed FTE Reduction	EIA Required?	Appendix 3 Page No.	Reports Pack Page No.
Directorate : Chief Executive												
SERVICE : Chief Executive Management												
CEX-BR1-252	Corporate Priorities	Carolyn Wilkins	Cllr S Fielding	(75)	0.00	0	0	(75)	0.00	No	109	421
Directorate : Corporate and Commercial Services												
SERVICE : Democratic and Civic Services,Legal												
CCS-BR1-226	Constitutional & Civic and Political support services restructure	Paul Entwistle	Cllr S Fielding	(30)	(2.00)	0	0	(30)	(2.00)	No	113	425
SERVICE : Corporate												
CCS-BR1-240	Fees and Charges additional income	Samantha Smith	Cllr A Jabbar	(20)	0.00	0	0	(20)	0.00	No	117	429
CCS-BR1-249	Supplies and Services	Anne Ryans	Cllr A Jabbar	(1,000)	0.00	0	0	(1,000)	0.00	No	121	433
CCS-BR1-250	Introduction of Vacancy Factor	Anne Ryans	Cllr A Jabbar	(800)	0.00	0	0	(800)	0.00	No	125	437
CCS-BR1-251	Development of the Unity Partnerships Operating Model Phase 2	Ray Ward	Cllr A Jabbar	(250)	0.00	0	0	(250)	0.00	No	129	441
SERVICE : Corporate and Commercial Services Management												
CCS-BR1-228	Council Traded Services/Unity Commercial Services Reviews	Joe Davies	Cllr A Jabbar	(750)	0.00	(750)	0	(1,500)	0.00	Yes	133	445
CCS-BR1-253	Corporate & Commercial Services	Ray Ward	Cllr A Jabbar	(200)	(5.00)	0	0	(200)	(5.00)	No	141	453
SERVICE : Customer Services												
CCS-BR1-227	Digital by Design	Ray Ward	Cllr A Jabbar	(500)	0.00	(1,500)	0	(2,000)	0.00	Yes	146	458
SERVICE : Finance												
CCS-BR1-220	Insurance Review	Mark Stenson	Cllr A Jabbar	(300)	0.00	0	0	(300)	0.00	No	158	470
CCS-BR1-221	Housing Benefit - Reduction in provision for loss of subsidy	Anne Ryans	Cllr A Jabbar	(150)	0.00	0	0	(150)	0.00	No	162	474
CCS-BR1-222	Audit Fee Reduction	Anne Ryans	Cllr A Jabbar	(50)	0.00	0	0	(50)	0.00	No	166	478
CCS-BR1-223	Treasury Management	Anne Ryans	Cllr A Jabbar	(2,000)	0.00	0	0	(2,000)	0.00	No	170	482
CCS-BR1-245	Financial Services Redesign	Anne Ryans	Cllr A Jabbar	(200)	(4.00)	0	0	(200)	(4.00)	No	174	486
SERVICE : People Management Inc. Unity Client for HR												
CCS-BR1-247	Transition AVC contributions to Salary Sacrifice	Martyn Bramwell	Cllr A Jabbar	(40)	0.00	0	0	(40)	0.00	No	178	490
Grand Total				**(7,829)**	**(24.88)**	**(4,616)**	**(2,000)**	**(14,445)**	**(24.88)**			

Appendix 3

BR1 proposals

and EIAs

Budget

reductions

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Oldham Council

Reference :	HAS-BR1-237
Responsible Officer :	Mark Warren
Cabinet Member :	Cllr Z Chauhan
Support Officer :	Helen Ramsden

BR1 - Section A

Service Area :	Commissioning
Budget Reduction Title :	Day Care Services

Budget Reduction Proposal - Detail and Objectives :

Reduction in the funding envelope from 2019/20 onwards for contracted Day Care Services for older people.

As we retender the day services contract and have a look at usage figures across the current Age UK services and Laurel Bank (Miocare), there is potential to reduce the funding envelope by c£0.050m. However, we are unlikely to have the capacity to retender this ahead of the start of the new financial year so will be a part year effect in 19/20. It is most likely that the savings will be achieved by reducing the number of places in the contract, based on actual usage against the block contract over the past 12-18 months.

The total current value of these services is c£0.500m per annum, across a range of arrangements. These will be brought together under one contract.

Discussions are underway regarding the transfer of Miocare day services to Age UK and the potential to achieve the savings via negotiation rather than tender.

The proposal has been discussed with Age UK which has provided clarity on the preferred route to achieve the saving.

2018/19 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	1,315
Income	(0)
Total	1,315

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(37)	(13)	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
Please see additional information.
Service Delivery
None. The saving would be achieved through reductions in the number of day places available, which will reflect actual usage.
Future expected outcomes
None. please see above.
Organisation
None. Please see above.
Workforce
None. Please see above. There will be TUPE transfers of staff from Miocare to the successful provider. Miocare management and staff are aware and have been fully engaged in discussions.
Communities and Service Users
None. Services will continue.
Oldham Cares
None. Services will continue.
Other Partner Organisations
None. Services will continue.

Who are the key stakeholders?

Staff	No
Elected Members	No
Residents	No
Local business community	No
Schools	No
Trade Unions	No
External Partners (if yes please specify below)	Yes
Age UK	
Other Council Departments (if yes please specify below)	Yes
Miocare	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements
The reduction in contract value of 10% will be reflective of a general reduction in demand for day services for older people.

Section C

Key Risks and Mitigations:

Risk	Mitigation
The retender or negotiation does not result in viable bidders to deliver day services.	Age UK is the current provider of the majority of day services. The previous two tenders of this contract have resulted in viable bids. Discussions are ongoing through contract management meetings regarding the future of these services, and Age UK's appetite as a service provider.
A 10% reduction in annual contract value does not secure sufficient places to meet demand.	The proposed reduction is in line with contract monitoring activity figures.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Day Service contract tendered and awarded or renegotiated	1 July 2019
N/A	N/A
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	Yes

Section E

Finance Comments
The reduction will be achieved by reducing the envelope upon re-tendering for Day Care Services, the current contract value is £0.500m across a range of services. Due to contract renewal dates the proposed saving of £0.050m will not be fully achievable; 75% (£0.037m) will be delivered in 2019/20 with the balance (£0.017m) delivered in 2020/21. Based on current usage/uptake the proposed phased reduction is deemed achievable.

Signed RO	19-Oct-2018
Signed Finance	18-Oct-2018

Cabinet Member Signature		
Name and Date	Cllr Z Chauhan	14-Jan-2019

Additional Information (if required)
Impact on property No immediate effect. Discussions have been ongoing for some time in relation to Laurel Bank, and whether a provider other than Miocare would want to operate from this site should they win the tender. Whilst this is highly likely in the short term, for continuity for service users, they may wish to source their own premises in future.

	Reference:	HAS-BR1-237
Responsible Officer	Mark Warren	
Cabinet Member:	Cllr Z Chauhan	
Support Officer	Neil Clough	

Equality Impact Assessment Tool

Service Area:	**Health & Wellbeing**
Budget Reduction Title:	**Reduce the budget that the council spends on day care services by £50,000 per annum.**

Stage 1: Initial Assessment

1a	**Which service does this project, policy or proposal relate to?**
	Day Care Services (Older People).
1b	**What is the project, policy or proposal?**
	To reduce the amount of money paid into older people day services by £50,000 per annum.
1c	**What are the main aims of the project, policy or proposal?**
	Main aims of the day care services provision: Older People Day care services are currently provided by 2 providers, these are Age UK Oldham & Mio Care. Age UK Oldham provide day care services to Older People over 65 years with an assessed care need at a number of venues across Oldham. The value of the contract is £289,197 per annum and was awarded on 1 July 2016. This contract is due to expire on 30 June 2019. Age UK Oldham also provide day care services at Franklin House. Oldham Council pays £234,206 for services at Franklin House. Main aims of the proposal: Reduction in the funding envelope from 2019/20 onwards for contracted Day Care Services for older people. As we retender the day services contract and have a look at usage figures across the current Age UK services and Laurel Bank (Miocare), there is potential to reduce the funding envelope by circa £50,000 per annum. However, we are unlikely to have the capacity to retender this ahead of the start of the new financial year so there will be a part year effect in 19/20. It is most likely that the savings will be achieved by reducing the number of places in the contract, based on actual usage against the block contract over the past 12-18 months. The total current value of these services is circa £500,000 per annum, across a range of arrangements. These will be brought together under one contract. Discussions are underway regarding the transfer of Miocare day services to Age UK and the potential to achieve the savings via negotiation rather than tender. This would ensure continuity of employer and service for the staff and people who use the service and achieve full delivery of the saving in 2019/20 and beyond.

1d	**Who, potentially, could this project, policy or proposal either benefit or have a detrimental effect on, and how?**
	No impact. The service will be re-tendered/renegotiated on the basis of the number of places that are required. It is therefore anticipated that the £50,000 per annum efficiency saving will be achieved through reducing the cost envelope in accordance with demand.

1e	**Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups?**				
		None	**Positive**	**Negative**	**Not sure**
	Disabled people	☒	☐	☐	☐
	Particular ethnic groups	☒	☐	☐	☐
	Men or women (includes impacts due to pregnancy / maternity)	☒	☐	☐	☐
	People of particular sexual orientation/s	☒	☐	☐	☐
	People in a Marriage or Civil Partnership	☒	☐	☐	☐
	People who are proposing to undergo, are undergoing, or have undergone a process or part of a process of gender reassignment	☒	☐	☐	☐
	People on low incomes	☒	☐	☐	☐
	People in particular age groups	☒	☐	☐	☐
	Groups with particular faiths or beliefs	☒	☐	☐	☐
	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 the overall NEGATIVE impact on groups and communities will be?**	**None / Minimal**	**Significant**
		☒	☐

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** ☐
		No ☒
1h	**How have you come to this decision?**	
	As outlined in 1D, there will be No impact. The service will be re-tendered/re-negotiated on the basis of the number of places that are required. It is therefore anticipated that the £50,000 per annum efficiency saving will be achieved through reducing the cost envelope in accordance with demand. When outlining the proposal in the BR1 form it was identified that there was a potential negative impact on *people in particular age groups*. However, during the Stage 1 EIA process this impact had been mitigated, so it was not necessary to complete a full EIA.	

Stage 5: Signature

Role	Name	Date
Lead Officer	Mark Warren	14/12/2018
Approver Signatures	Mark Warren	

EIA Review Date:	December 2019

Oldham Council

Reference :	HAS-BR1-238
Responsible Officer :	Mark Warren
Cabinet Member :	Cllr Z Chauhan
Support Officer :	Helen Ramsden

BR1 - Section A

Service Area :	Commissioning
Budget Reduction Title :	Community Transport

Budget Reduction Proposal - Detail and Objectives :

Cessation of grant funded contribution to Community Transport Oldham for 2019/20 in the sum of £0.045m.

From 2016/17, Adult Social Care took over responsibility for the payment of a grant to Community Transport Oldham (CTO) of £0.045m per annum. This grant contributes to such activities as the provision of mobility scooters to hire in the town centre and the hire of wheelchair accessible minibuses. No specific service is commissioned by the Council from CTO.

It is clear from monitoring information submitted, that usage of the various services CTO offer is reducing.

In addition, we have been made aware that CTO has been using a number of Council facilities for a number of years (an office in the market hall, garages at Moorhey Street) without charge, and were using the Council service for MOT and servicing of their vehicles, but that there have been issues with non-payment. It is estimated that the value of these facilities to CTO is around £0.100m. It is our understanding that this “free” support to CTO will be withdrawn. This is likely to make the business unsustainable with or without a £0.045m grant.

CTO are aware that we are reviewing the grant this year and that the Council hasn’t committed beyond 2018/19.

2018/19 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	2,687
Income	(371)
Total	2,316

Current Forecast (under) / overspend	(17)

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(45)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None
Service Delivery
None. It will be for CTO to determine whether they can continue to operate without Council support. Part of the communication plan with CTO will be to signpost them to wider support, such as Action Together.
Future expected outcomes
None.
Organisation
None.
Workforce
None.
Communities and Service Users
This will be largely dependent on CTO's response to the grant cessation and their ability to attract alternative sources of funding.
Oldham Cares
None.
Other Partner Organisations
None.

Who are the key stakeholders?

Staff	No
Elected Members	No
Residents	No
Local business community	No
Schools	No
Trade Unions	No
External Partners (if yes please specify below)	No
N/A	
Other Council Departments (if yes please specify below)	No
N/A	
Other (if yes please specify below)	Yes
Community Transport Oldham	

Benefits to the organisation/staff/customers including performance improvements
Contribution to the achievement of the 2019/20 budget reduction target.

Section C

Key Risks and Mitigations:

Risk	Mitigation
CTO are unable to continue to operate without continued Council support.	Discussions to take place as part of the grant cessation, to advise and signpost.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Proposal communicated to CTO	5 November 2018
Meeting with Chief Executive of CTO	15 November 2018
Service visit	26 November 2018
N/A	N/A

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	07-Nov-2018	14-Feb-2019
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	Yes

Section E

Finance Comments
The saving will be achieved by the cessation of the Councils contribution to a grant provided to CTO. There are no perceived difficulties in delivering this budget reduction.

Signed RO	18-Oct-2018
Signed Finance	18-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr Z Chauhan 14-Jan-2019

	Reference:	**HAS-BR1-238**
Responsible Officer	**Mark Warren**	
Cabinet Member:	**Cllr Z Chauhan**	
Support Officer	**Neil Clough**	

Equality Impact Assessment Tool

Service Area:	**Health & Wellbeing**
Budget Reduction Title:	**Ceasing of Grant Funding of £45,000 per annum payable to Community Transport Oldham**

Stage 1: Initial Assessment

1a	**Which service does this project, policy or proposal relate to?**
	Community Transport Services.
1b	**What is the project, policy or proposal?**
	Community Transport Oldham currently receive a £45,000 per year grant which contributes to activities such as door to door bus services for individuals with health conditions "Dial-a-Ride", the provision of Motability scooters for hire in the town centre and the hire of wheelchair accessible minibuses. It is proposed that we cease this grant.
1c	**What are the main aims of the project, policy or proposal?**
	Main aims of the Community Transport Oldham project: Community Transport Oldham (CTO) is a service which provides a range of transportation services for anyone who experiences difficulties using public transport as a result of limited mobility. The service is available to the residents of Oldham and provides a door to door service. The service helps individuals maintain their independence and quality of life whilst living at home. People are able to access the service irrespective of whether they are known to Adult Social Care. The service is operated from Tommyfield Market which is undergoing a refurbishment programme. The Services offered include: • Dial a Ride The service provides door to door accessible transport usually within the borough. People are typically taken to day services and to health appointments. All the minibuses are wheelchair accessible. • Group Travel Minibuses are available for use by 'not for profit' organisations in Oldham. Residents can hire a driver or drive the minibus themselves. (Training is provided). CTO operate a fleet of 5 mini-buses which are used for the Dial a Ride and Group Travel services. These vehicles vary in age from 10 to 13 years old and are described as 'high mileage'. CTO have pointed out that these older vehicles are not compliant with the latest European commission regulations governing the amount of harmful gases vehicles emit. CTO have advised that older vehicles are used in the Oldham service because as the service is subsidised by them, they cannot afford to offset depreciation costs of newer vehicles. In future across the organisation they are looking to lease vehicles rather than outright purchase.

The image above identifies a typical mini-bus on the fleet used by the Dial a Ride and Group Travel service. This vehicle was registered in 2006.

- Promobility (Shopmobility)
  This service provides a range of manual and electric powered wheelchairs and mobility scooters for hire to access all the facilities in Oldham town centre. The service currently operates a fleet of 16 electric scooters. These range in size and specification. Some of these scooters can be adjusted so they can be operated by controls exclusively on one side of the vehicle, therefore being suitable for individuals with limited mobility down a particular side of the body. Some of these scooters accommodate people of up to 30 stone in weight.

  Small foldable scooters and wheelchairs are also available which can be transported in cars & coaches to enable people to use them when taking breaks. Other walking aids such as walking frames can also be provided if required.

The image above identifies some of the scooters used by the Promobility service. The vehicle in the foreground can accommodate people upto 30 stones in weight.

- Training
  Training is offered to Residents if they would like to hire and drive the minibuses themselves rather than use a CTO driver.

- Volunteering
  CTO provide regular volunteering opportunities for Oldham residents.

Public facing information regarding the current CTO service is available here:
http://www.transportforcommunities.co.uk/gmcotm/CT_files/CT_oldham.htm

The service has been in operation since 2009. The service was originally grant funded via the Neighbourhoods Directorate through a PPF grant and CTO were awarded £50k per annum. This grant expired in March 2016. Responsibility for the commissioning of this service was then transferred over to the Adult Social Care Commissioning Team, but without funds as these were subject to budget reduction within the Neighbourhoods Directorate. Negotiations were undertaken and it was agreed that the service would continue to be funded at a slightly reduced cost of £45k per annum. The money for the CTO service is now paid through the general fund.

Main aims of the proposal:

The proposal to cease the grant funding of £45,000 per annum to Community Transport Oldham has been put forward in response to the financial challenges faced by the Council and the need to prioritise expenditure.

1d	**Who, potentially, could this project, policy or proposal either benefit or have a detrimental effect on, and how?**
	CTO have indicated verbally that they would expect to cease to deliver the service in Oldham if the grant funding was to stop. The organisation have explained that they expect to be served notice imminently on their existing premises adjacent to the Tommyfield market car park and will need to find suitable alternative premises. Additionally, a relationship that they had with the council in respect of vehicle maintenance has come to an end recently and a consequence of this has been that they now have to pay for vehicle storage.

If the Council were to cease the grant it is anticipated that there would be a detrimental effect of the following people:

Employees:
2 full time employees may have to be made redundant. One of these employees runs the service on a day to day basis and the other is a full time driver. There are additionally 3 semi-retired drivers who are available as and when required who are paid if called upon to provide driving support.

People who use the current service:
People are required to register with the service if they wish to access any of the services CTO provide. These users are required to pay an annual fee of £10 - £15. (Variable depending on the services people wish to access).

Current data indicates that there are 34 individuals registered to use the Dial a ride service.

76 individuals are registered to use the Promobility service.

253 groups are registered to use the Group Travel service, 56 of these are reported to use the service at least monthly.

The extent to which these people/groups use the services is not clear, this information has been requested but not provided.(This point is discussed in more detail in stage 2 of this EIA).

CTO have provided case study documentation which identifies individuals who rely on their service in the following ways:

One person of with bariatric obesity relies on the service to enable them to access shops in the town centre. CTO have reported that some of the people who use the dial a ride service would struggle to use conventional taxi services, reporting that there have been examples of conventional taxi services refusing to cater for some dial a ride clients, citing reasons such as personal hygiene.

A case study has identified that one individual has developed a strong and trusted relationship with the driver who takes them to the link centre. This person uses a very complex wheelchair with full head restraint which cannot be transported easily, a factor which is described as limiting this person's access to public transport or taxi services. The driver being described as a safe driver, courteous, polite and as a 'Friend'

CTO have advised that they act as a support function for a number of people, for example helping them to apply for blue badges, making referrals into other services if they identify examples of self-neglect, and to detecting levels of early onset dementia.

1e **Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups?**

	None	Positive	Negative	Not sure
Disabled people	☐	☐	☒	☐
Particular ethnic groups	☒	☐	☐	☐
Men or women (includes impacts due to pregnancy / maternity)	☒	☐	☐	☐
People of particular sexual orientation/s	☒	☐	☐	☐
People in a Marriage or Civil Partnership	☒	☐	☐	☐
People who are proposing to undergo, are undergoing, or have undergone a process or part of a process of gender reassignment	☒	☐	☐	☐
People on low incomes	☐	☐	☐	☒

	People in particular age groups	☒	☐	☐	☐
	Groups with particular faiths or beliefs	☒	☐	☐	☐
	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 the overall NEGATIVE impact on groups and communities will be?**	**None / Minimal**	**Significant**
		☒	☐

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 ☒** **No ☐**
1h	**How have you come to this decision?**	
	34 individuals are registered to use the Dial a ride service. 76 individuals are registered to use the Promobility service. The extent to which these people use the service is not clear, this information has been requested but not provided. Individuals who use the Dial a Ride and Pro-Mobility services clearly value the service and would be affected. Semi-retired staff would be affected if they were to be made redundant.	

Stage 2: What do you know?

What do you know already?

34 individuals are registered to use the Dial a ride service. In quarter 2 of 2018/19 414 journeys were made.

76 individuals are registered to use the Promobility service. In quarter 2 of 2018/19 257 daily wheelchair and scooter hires took place.

253 groups are registered to use the Group Travel service, 56 of these are reported to use the service at least monthly. In quarter 2 of 2018/19 817 individual passengers were taken on journeys (which they made alongside other passengers who were also accessing the group travel service).
The extent to which these people/groups use the services is not clear, this information has been requested but not provided.

People are able to access the service irrespective of whether they are known to Adult Social Care.

People pay the following charges shown below to access the services.
These charges to customers have not been increased for at least 2.5 years.

Cost Information Breakdown

Service	Distance / Time	Costs	Notes
Dial a Ride	Upto 1 Mile	£3.50	

(Registered User)			
	1-4 Miles	£5.50	
	4 Miles	£7.50	
Dial a Ride (Family member or carer)		£1.00	
ProMobility Scooter / Wheelchair		£3.00 a Day	Operates from 10:00AM to 16:00PM Monday, Wed - Friday
Group Travel (Self Drive)	Half Day(4 Hours)	£50.00	Return the vehicle fully fuelled
	Full Day	£100	- As Above -
	Weekends (5:00PM Friday to 08:00am Monday)	£200	- As Above -
	Full Week	£500	- As Above-
Group Travel (Driver costs)	1 Hour	£12.00/ hour	Restricted to Group Travel and hourly and per mile charges applies to all journeys
	1 Mile	£1.00	

CTO have advised that the total budgeted project costs for 2018/2019 are £129,102. Total income is budgeted at £119,013, which is generated from the £45,000 grant, plus income from hire charges and fares. CTO have advised they subsidise the shortfall of £10,089 per annum.

The cost of the grant does not reflect the true value of the provision due to additional cost free services which are currently being provided such as rent free town centre accommodation, cost of utilities, vehicle parking, service charges and rates, cost of water usage, and property insurance. Additionally, 4 parking bays restricted for the use of CTO customers which results in incurring loss of income to Oldham Council from the parking.

People and Place indicated to CTO in April that Community Transport needed to vacate the Market garage at the end of December 2018. This was to allow construction of a car park to begin on the site in January. Plans for the car park have been delayed and subsequently this deadline has been extended. People and Place have offered CTO alternative space free of charge in the shopping centre. CTO are understood not to have responded formally to this offer, however this is understood to not be regarded as suitable for the service due to concerns regarding the accessibility for scooters.

What don't you know?

If those in receipt of services were to be assessed by ACS it is not known whether any or all of them would be eligible to receive services and any needs they do have may be able to be met in a different way.

The extent to which the registered users actually use the services is not clear, this information has been requested but not provided.

CTO have provided data with regards to the number of individuals registered to use each of the services. CTO have also provided data regarding the number of dial a ride journeys, scooter hires, and

group travel journeys in quarterly monitoring information. However, CTO have been unable to provide requested data with regards to the number of unique individuals who use the services. For example we do not know the extent to which each of those 34 registered individuals use the Dial a ride service in a given quarter. It would have been useful to have been able to determine how often each of the 34 individuals had used the service during quarter 2 of 2018-19. Had we been able to determine that X of the 34 people used the service only once, X of the 34 people used the service more than 10 times in the quarter this information would have assisted with this analysis.
Further Data Collection
N/A

Summary (to be completed following analysis of the evidence above)

1e	**Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups?**				
		None	**Positive**	**Negative**	**Not sure**
	Disabled people	☒	☐	☐	☐
	Particular ethnic groups	☒	☐	☐	☐
	Men or women (includes impacts due to pregnancy / maternity)	☒	☐	☐	☐
	People of particular sexual orientation/s	☒	☐	☐	☐
	People in a Marriage or Civil Partnership	☒	☐	☐	☐
	People who are proposing to undergo, are undergoing, or have undergone a process or part of a process of gender reassignment	☒	☐	☐	☐
	People on low incomes	☒	☐	☐	☐
	People in particular age groups	☒	☐	☐	☐
	Groups with particular faiths or beliefs	☒	☐	☐	☐
	Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
		☐	☐	☐	☐
		☐	☐	☐	☐

Stage 3: What do we think the potential impact might be?

3a	**Who have you consulted with?**
	CTO including regular contract monitoring. A meeting was held at Ellen House with a CTO Director on 15 November 2018. A visit to the service was undertaken on 3 December 2018. CTO have been asked to consider if the service could charge individuals more to partially offset funding reductions. The potential impact of this is unknown as CTO have been unable to provide a breakdown of the extent of the subsidy.
3b	**How did you consult? (include meeting dates, activity undertaken & groups consulted)**
	Analysis of contract monitoring data and service data provided by CTO. Contract monitoring meeting with Chief Executive of CTO on 15 November 2018. A visit to the service on 3 December 2018 and a total of 70 questionnaires were left with the service to hand out to users for completion. On 19 December the service returned a total of 13 completed questionnaires. These users provided feedback with regards to a series of questions about the existing service.
3c	**What do you know?**
	34 individuals are registered to use the Dial a ride service.

	76 individuals are registered to use the Promobility service. 253 groups are registered to use the Group Travel service, 56 of these are reported to use the service at least monthly. There are alternatives outlined at stage 4 which could reduce and mitigate the impact of the proposal. A total of 13 people completed questionnaires. 100% of respondents regarded the services as Affordable. 77% of survey respondents advised that they would be willing to pay more to receive the same level of service from CTO or any other provider. 77% used the free comments section to state that they valued the service, some people describing the service as 'a lifeline'. An overview of the results of the key findings consultation is shown below: 15% of respondents were in the 18 to 40 years age bracket. 31% of respondents were in the 40 to 60 years age bracket. 54% of respondents were in the 60 years and above age bracket. 84% of respondents regarded themselves as having a physical or other disability which required access to regular transport. 92% of respondents used the Promobility Service. (23% of these saying they used all services). 8% (1 person) did not state which service was used. No respondent said they only used the Dial a ride service. No respondent said they only used the group travel service. 23% of respondents used services once a week. 30% of respondents used services more than once a week. 38% of respondents used services frequently/regularly. 8% (1 person) of respondents was not sure how often they used services. 77% of respondents described the main purpose of the service was to do shopping. 100% of respondents reported that they used alternative modes of transport in their normal day to day life. 77% of respondents used private taxis. 38% of respondents owned their own electric scooter or wheel chair and did not hire these items from CTO.
3d	**What don't you know?**
	As indicated within Stage 2, the extent to which these people/groups use the services is not clear, this information has been requested but not provided. CTO have provided data with regards to the number of individuals registered to use each of the services. CTO have also provided data regarding the number of dial a ride journeys, scooter hires, and group travel journeys in quarterly monitoring information. However, CTO have been unable to provide requested data with regards to the number of unique individuals who use the services. For example we do not know the extent to which each of those 34 registered individuals use the Dial a ride service in a given quarter.

3e	What might the potential impact on individuals or groups be?	
	Generic (impact across all groups)	N/A
	Disabled people	Disabled people may be affected (See proposed mitigation below).
	Particular ethnic groups	N/A
	Men or women *(include impacts due to pregnancy / maternity)*	N/A
	People of particular sexual orientation/s	N/A
	People in a Marriage or Civic Partnership	N/A
	People who are proposing to undergo, are undergoing, or have undergone a process or part of a process of gender reassignment	N/A
	People on low incomes	People on low incomes may be affected. (See proposed mitigation below).
	People in particular age groups	N/A
	Groups with particular faiths and beliefs	N/A
	Other excluded individuals *(e.g. vulnerable residents, individuals at risk of loneliness, carers or service and ex-serving members of the armed forces)*	N/A

Stage 4: Reducing / Mitigating the Impact

4a	What can be done to reduce or mitigate the impact of the areas you have identified?	
	Impact 1	**Proposal**
	Disabled People	Recommend ACS assessments for the list of individuals who have been identified who use the service who have disabilities to see if any changes need to be made to their package of care in the event the CTO service was not to be available to them. To better understand their financial position in respect of purchasing a variety of services to assist them, this may consist of purchasing hours of support from a personal assistant, or accessing local services in a different way. <u>Dial a Ride – Alternative options:</u> 1) Re-designing the existing offer CTO could give some consideration to reducing the operating costs of the fleet of mini-buses by exploring options such as reducing the size of the fleet. A consequence of this option may be that people who use the service may be offered more restricted availability. CTO would need to consult with those who use the service to discuss this option. This could potentially coincide with a move to a smaller leased fleet. It may be practical for CTO to jointly lease vehicles between sites. 2) Ring and Ride option There is an alternative service provider 'Ring and Ride' who provide similar transportation services to people who

		require this service. The Ring and Ride service is available to people who find it difficult to use public transport. Information on this option is available below: https://www.oldham.gov.uk/info/200786/transport/561/dial-a-ride_and_ring_and_ride 3) Subsidised Travel Voucher scheme People who struggle to use public transport may be able to convert free bus passes to the subsidised Travel voucher scheme where individuals are unable to access the buses if they live away from bus stops or bus routes. There are conditions attached to this scheme. Information on this option is available below: https://www.tfgm.com/public-transport/travel-vouchers 4) Alternative sources of Transport. There are currently 35 licensed taxi operators in Oldham. Research has identified that there are specialist taxi services available in the borough, these include, but are not limited to: Oldham wheelchair travel, Borough Taxi's Oldham. Information on these options is available below: https://oldhamwheelchairtravel.com/ http://www.boroughtaxisoldham.com/ There are a number of traditional bus services that operate in Oldham which may meet the needs of some people who use the dial a ride service. For example MCT community transport operate a diverse range of circular routes that cover a number of localities in Oldham. This provider also provides a 'hail and ride' service which means that passengers can get on and off the bus wherever it is safe. http://www.manct.org/our-route/ Group Travel – Alternative options: 1) Re-designing the existing offer CTO could give some consideration to reducing the operating costs of the fleet of mini-buses by exploring options such as reducing the size of the fleet. Vehicles could be hired from appropriate companies when required thus reducing costly down time when the current fleet of owned vehicles are unused. 2) Alternative sources of Transport. Private mini-bus hire options that exist in the local market to cater for people requiring a group travel requirement. It should be noted that the credentials of the drivers would need to be understood when assessing alternatives. Carlton Minibuses, based in Royton stipulates on their web site that all staff are ''fully checked by the Disclosure and barring service and are highly trained professionals''

		Information on this option is available below: http://www.carltonminibuses.co.uk/ MCT community transport operate a diverse range of circular routes that cover a number of localities in Oldham. This provider also provides a 'hail and ride' service which means that passengers can get on and off the bus wherever it is safe. MCT have stipulated that they provide Mini-Bus Driver Awareness Scheme (MIDAS) training Information on this option is available below: http://www.manct.org/our-route/ Premier Mini Bus hire are based in Oldham. They stipulate on their web site that staff are DBS checked and that all vehicles are wheel chair accessible. Information on this option is available below: http://www.premierminibushire.co.uk/ Mini-Bus hire Oldham are a local organisation who stipulate on their web-site that drivers are fully trained and offer a range of different types of mini-buses from 8 – 18 seats. Information on this option is available below: http://www.minibushireoldham.com/about-us.html <u>Pro-mobility – Alternative options:</u> 1) Re-designing the existing offer When the service was visited on 3 December 2018, 13 of the 14 electric scooters on the fleet were not being used. CTO did point out that the inclement weather at the time may have discouraged some users. As such a large proportion of the fleet was unused at the time of this visit, CTO may wish to consider the validity of reducing the size of the scooter fleet by conducting analysis of scooter 'down time'. A consequence of this option may be that people who use the service may be offered more restricted availability. CTO would need to consult with those who use the service to discuss this option as it appears that some users like to specify particular scooters. It may be feasible to offer a reduced fleet size, covering the current mix of specifications which customers would need to book in advance. 2) <u>Re-locating the scooter hire service</u> As CTO have been requested to vacate current premises imminently, with a 3 metre stall space having been offered in the market for a rent cost of £4999 per annum. This space is more visible to users of the market and therefore likely to increase visibility of the service. CTO initially expressed concerns that they would require 2 stall spaces, therefore increasing the cost to £9,998 per annum. If the fleet size was to be reduced, the space requirement would also reduce. The surplus scooters may be able to be sold to contribute to rent costs in the initial year.

		The scooters are for use in the town centre. A small number of disabled parking spaces are available for wheelchair users who can access the town centre by vehicle. It is suggested that wheelchair users may be in a position to use other transport options to access the town centre.
	Impact 2	**Proposal**
	People on low income	To better understand their financial position in respect of them being in a position to purchase a variety of services to assist them, this may consist of purchasing hours of support from a personal assistant, or accessing local services in a different way.
	Impact 3	**Proposal**

4b	**Have you done, or will you do anything differently, as a result of the EIA?**
	It has been identified through discussions that CTO may be able to diversify their offer in Oldham to better align with commissioning intentions. CTO have advised that they have a track record providing patient transfer services in other areas. This may be an area CTO could provide in Oldham that was aligned with current health and care commissioning intentions. Oldham cares will consider future commissioning intentions. The Council has encouraged CTO to better understand the extent to which they are subsidising the services that they provide. The conclusion of this work would enable them to consider the extent of any charging contributions required by people who use the service.
4c	**How will the impact of the project, policy or proposal and any changes made to reduce the impact be monitored?**
	Through dialogue with CTO about a revised business model and through assessing how many service users who access the service are eligible to receive care services.

Conclusion *This section should record the overall impact, who will be impacted upon, and the steps being taken to reduce / mitigate the impact*
The proposal to cease the grant is still recommended and the impact on people who use the service should be assessed. If these people have an assessed care need assessments should be made to determine if adjustments to care packages need to be made. If users of services do not have a care need it is recommended that alternative departments are notified of the change in case they wish to take over the funding or a proportion of the grant costs.

Stage 5: Signature

Role	Name	Date
Lead Officer	Mark Warren	14/12/2018
Approver Signatures	Mark Warren	14/12/2018

EIA Review Date:	December 2019

Oldham Council

Reference :	PPL-BR1-209
Responsible Officer :	Glenn Dale
Cabinet Member :	Cllr A Shah
Support Officer :	Carol Brown

BR1 - Section A

Service Area :	Environmental Management
Budget Reduction Title :	Reduction in budget supporting North West in bloom

Budget Reduction Proposal - Detail and Objectives :

The North West in Bloom (NWIB) submission forms part of a wider strategy to regenerate key routes through the Borough and engage with local communities to improve the environment. The work involved is focused on working with local communities both residential and businesses and receives considerable support from the public in general as well as the individuals and communities that come together to support the work. There is considerable benefit in working with schools to increase pupils understanding on litter and wider environmental issues including growing food, the importance of healthy eating and taking a pride in the place where they live. Equally working with older people on shared projects to enable them to come together combating loneliness is important.It is the work with local communities, both residents and businesses, which drives the real benefit and legacy plantings which are derived from the competition. This work enhances the perception of the town centre and key routes in particular, is popular with all visitors and supported by local businesses as it provides an attraction to the town centre and improves the local offer. In addition the work makes a number of key routes memorable as the legacy beds are taken to different points across the borough. The budget also supports the in depth cleaning which forms part of annual overall programme of works.
The proposal is to continue with limited floral displays in the town centre however the budget reduction proposed will not enable the wider benefit to our districts removing both the lasting impact of community work and uplift to key routes across the local districts and so removing the opportunity to enter the annual competition. The success of NWIB over the years has been heavily reliant on the contribution of partners for example FCHO actively engage with their residents and local communities to improve an area, an activity which is also supported by their funding of the local gardens competition. Contributions are also in place from local businesses in Spindles/Town Square there is therefore no immediate opportunity evident to mitigate further any reduction in budget.

2018/19 Service Budget and Establishment	£000
Employees	5,935
Other Operational Expenses	5,372
Income	(3,119)
Total	8,188

Current Forecast (under) / overspend	(159)

Number of posts (Full time equivalent)	213.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(50)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None
Service Delivery
No entry into NW in Bloom delivered.
Future expected outcomes
No engagement with community groups.
Organisation
Reputational impact
Workforce
Staff will be relocated within the service.
Communities and Service Users
Community groups and other organisations that participate in Bloom & Grow each year will be left without the required support to actively become engaged. The town centre and bloom routes will be less attractive which in turn will impact on visitors to the town potentially affecting economic prosperity.
Oldham Cares
None.
Other Partner Organisations
There is every liklihood that without the Council's input into NWIB, partners will no longer wish to fund the elements that they currently fund .

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	Yes
Local business community	Yes
Schools	Yes
Trade Unions	Yes
External Partners (if yes please specify below)	Yes
A range of businessess that we have Service Level Agreements with.	
Other Council Departments (if yes please specify below)	Yes
Public Health, Education, District teams.	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements
A £0.050m contribution to the achievement of the 2019/20 budget reduction target.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Reputational loss.	Alternative ways of maintaining visual displays within the borough will be explored.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Proposal to be considered for approval.	27 February 2019.
Oldham to be withdrawn from NW in bloom.	Spring 2019.
N/A	N/A
N/A	N/A

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	07-Nov-2018	14-Feb-2019
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The proposed reduction in Bloom and Grow expenditure will achieve the proposed saving.

Signed RO	15-Oct-2018
Signed Finance	28-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr A Shah 14-Jan-2019

Oldham Council

Reference :	PPL-BR1-212
Responsible Officer :	Glenn Dale
Cabinet Member :	Cllr A Shah
Support Officer :	Carol Brown

BR1 - Section A

Service Area :	Environmental Management
Budget Reduction Title :	Charge for full length kerbs in designated areas

Budget Reduction Proposal - Detail and Objectives :

Allow for full length kerbs on graves allocated to one person only within designated areas of the 7 cemeteries. This option although currently unavailable in Oldham is widely available across the country. It is anticipated up to 50 new graves per year could be purchased with the full length kerbs.

2018/19 Service Budget and Establishment	£000
Employees	5,935
Other Operational Expenses	5,372
Income	(3,119)
Total	8,188

Current Forecast (under) / overspend	(159)

Number of posts (Full time equivalent)	213.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(13)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None.
Service Delivery
None.
Future expected outcomes
None.
Organisation
Income would be generated.
Workforce
None.
Communities and Service Users
There would be an additional choice if families wish to take up this option.
Oldham Cares
None.
Other Partner Organisations
None.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
There is considerable pressure placed upon the Council to remove extended kerbs that have been installed without approval. This pressure would be released which will enable the cemetery to be managed more efficiently.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Maintenance could be more difficult.	A review of the machinery used to maintain the cemeteries will be taken to take into account with regard to the additional obstacles.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Inclusion within fees and charges report.	Early 2019.
Proposal considered for approval.	27 February 2019.
N/A	N/A
N/A	N/A

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	07-Nov-2018	14-Feb-2019
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The achievement of this proposal will be dependent on the demand for full length kerbs purchased. It is currently estimated that the demand will be sufficient to meet the proposal.

Signed RO	13-Sep-2018
Signed Finance	28-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr A Shah 14-Jan-2019

Oldham Council

Reference :	PPL-BR1-213
Responsible Officer :	Glenn Dale
Cabinet Member :	Cllr A Shah
Support Officer :	Carol Brown

BR1 - Section A

Service Area :	Environmental Management
Budget Reduction Title :	Reduction in Administrative Support

Budget Reduction Proposal - Detail and Objectives :

The former Parks and cemeteries services administrative staff have been brought together to work from Hollinwood Cemetery. Following a period of cross departmental working we are now in a position where the current staff members are able to fulfil and cover all of the roles that are now required. Under the grounds of efficiency the service is able to operate with 3 administrative posts rather than the current 4. This will have minimal effect on service delivery.

2018/19 Service Budget and Establishment	£000
Employees	5,935
Other Operational Expenses	5,372
Income	(3,119)
Total	8,188

Current Forecast (under) / overspend	(159)

Number of posts (Full time equivalent)	213.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(18)	0	0
Proposed Staffing Reductions (FTE)	(1.00)	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None.
Service Delivery
There will be minimal effect.
Future expected outcomes
Work allocated may take a little longer to complete during the busier times or when staff are on leave or sick.
Organisation
Minimal impact.
Workforce
Loss of 1 FTE.
Communities and Service Users
None.
Oldham Cares
None.
Other Partner Organisations
None.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
A saving will be made in the revenue budget which will be ongoing.

Section C

Key Risks and Mitigations:

Risk	Mitigation
The workload in the team increases making it more difficult to meet expected timescales.	The Registrar and if needs be the Cemetery Manager will step in to assist whist there is increased pressure on the team.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Staff consultation.	14 November 2018 to 14 February 2019.
Post removed from establishment.	April 2019.
N/A	N/A
N/A	N/A

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	14-Nov-2018	14-Feb-2019
Trade Union	14-Nov-2018	14-Feb-2019
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
Efficiencies generated from the co-location of administrative staff will enable this proposal to be achieved.

Signed RO	13-Sep-2018

Signed Finance	28-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr A Shah 14-Jan-2019

Oldham Council

BR1 - Section A

Reference :	PPL-BR1-214
Responsible Officer :	Glenn Dale
Cabinet Member :	Cllr A Shah
Support Officer :	Carol Brown

Service Area :	Environmental Management
Budget Reduction Title :	Reduction in maintenance costs following purchase over hire

Budget Reduction Proposal - Detail and Objectives :

The decision to purchase both fleet and equipment in preference to hire arrangements has delivered savings greater than the initial estimate and therefore this saving can be offered from the operational materials/supplies budget.

2018/19 Service Budget and Establishment	£000
Employees	5,935
Other Operational Expenses	5,372
Income	(3,119)
Total	8,188

Current Forecast (under) / overspend	(159)

Number of posts (Full time equivalent)	213.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(25)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
NIL.
Service Delivery
NIL.
Future expected outcomes
NIL.
Organisation
NIL.
Workforce
NIL.
Communities and Service Users
NIL.
Oldham Cares
NIL.
Other Partner Organisations
NIL.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Reduced costs through efficiency management.

Section C

Key Risks and Mitigations:

Risk	Mitigation
N/A	N/A
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Formal approval of proposal.	27 February 2019.
N/A	N/A
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The reduction in costs due to the purchase of equipment rather than hire will enable this proposal to be achieved.

Signed RO	13-Sep-2018

Signed Finance	28-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr A Shah 14-Jan-2019

Oldham Council

BR1 - Section A

Reference :	PPL-BR1-217
Responsible Officer :	Craig Dale
Cabinet Member :	Cllr A Shah
Support Officer :	Carol Brown

Service Area :	Fleet Management
Budget Reduction Title :	Fleet Savings

Budget Reduction Proposal - Detail and Objectives :

The vehicle purchase programme has released savings over the last 5 years and replacements are now programmed. It is proposed that 4 refuse vehicles will be retained to accomodate the seasonal variance in the collection of green waste. This will reduce reliance on intermittant hire vehicles offering a saving.

2018/19 Service Budget and Establishment	£000
Employees	475
Other Operational Expenses	3,283
Income	(3,881)
Total	(123)

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	13.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(90)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
NIL.
Service Delivery
NIL.
Future expected outcomes
NIL.
Organisation
NIL.
Workforce
NIL.
Communities and Service Users
NIL.
Oldham Cares
NIL.
Other Partner Organisations
NIL.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Hired vehicles of the type and specification required are difficult to find (sometimes at very short notice) and hired vehicles are more expensive than purchased vehicles. This will provide a cost saving as well as a standardised fleet for the service.

Section C

Key Risks and Mitigations:

Risk	Mitigation
New vehicles not being procured in time.	Continue with short term hire to maintain service.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Purchase of vehicles approved at Capital Investment Programme Board.	Autumn 2018.
Formal approval of proposal.	27 February 2019.
Vehicles delivered.	June 2019.
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The Council owns a fleet of 21 Refuse Collection vehicles and supplements this by hiring a further 4 to 6 collection vehicles to meet peak demand (such as for gardening waste). 16 of the current fleet are now almost 7 years old and due for replacement in 2019 and 2020. The proposal is to retain 4 of the better vehicles and use these in place of hiring externally. After necessary maintenance and license fee costs, this would generate an ongoing saving of £0.090m p.a.

Signed RO	13-Sep-2018
Signed Finance	28-Aug-2018

Cabinet Member Signature		
Name and Date	Cllr A Shah	14-Jan-2019

Oldham Council

BR1 - Section A

Reference :	PPL-BR1-218
Responsible Officer :	Craig Dale
Cabinet Member :	Cllr A Shah
Support Officer :	Carol Brown

Service Area :	Highways Operations - Unity
Budget Reduction Title :	Highways IT and mobile working savings

Budget Reduction Proposal - Detail and Objectives :

The introduction of the new highways system has reduced the paper based systems and will be further improved by the introduction of handheld devices which will reduce the potential for error in the placement of repair works to the highway. This proposal is a reduction in the highways revenue budget to reflect the improved efficiency in the reporting system.

2018/19 Service Budget and Establishment	£000
Employees	188
Other Operational Expenses	10,439
Income	(538)
Total	10,089

Current Forecast (under) / overspend	2

Number of posts (Full time equivalent)	4.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(20)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
NIL
Service Delivery
NIL
Future expected outcomes
NIL
Organisation
NIL
Workforce
NIL
Communities and Service Users
Improved accuracy of response as GIS enabled reporting now in use.
Oldham Cares
NIL
Other Partner Organisations
NIL

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
As Unity Highways are already using the handheld devices, the work orders and defect information from them is currently only being provided in paper form to the maintenance teams. Once handhelds have been rolled out to the operatives, a more accurate end to end process will be in place with a reduced need for repeat visits due to poor location mapping.

Section C

Key Risks and Mitigations:

Risk	Mitigation
I.T. do not supply the handhelds.	Continue, in the short term, with paper based front end system.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Formal approval of proposal.	27 February 2019.
All handhelds in place and being fully utilised by both Operations and Unity Inspectors - thus realising a full year saving.	April 2019.
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The Highways system has now been in operation for over 12 months and is delivering savings to the revenue budget. This savings proposal is achievable.

Signed RO	13-Sep-2018
Signed Finance	28-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr A Shah 14-Jan-2019

Oldham Council

BR1 - Section A

Reference :	PPL-BR1-208
Responsible Officer :	Neil Crabtree
Cabinet Member :	Cllr A Shah
Support Officer :	Carol Brown

Service Area :	Public Protection
Budget Reduction Title :	Increase in Pest Control Income/Fees

Budget Reduction Proposal - Detail and Objectives :

Given the current take up of the pest control service, it is envisaged that the income target can be increased further by an estimated £0.010m.

2018/19 Service Budget and Establishment	£000
Employees	3,657
Other Operational Expenses	1,738
Income	(3,983)
Total	1,412

Current Forecast (under) / overspend	(91)

Number of posts (Full time equivalent)	154.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(10)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
No impact.
Service Delivery
No impact.
Future expected outcomes
No impact.
Organisation
No impact.
Workforce
Additional contracts to be sourced with potential to increase activity for each member of staff, which will be closely monitored to ensure workloads remain at an acceptable level.
Communities and Service Users
No impact.
Oldham Cares
No impact.
Other Partner Organisations
No impact.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Increase in income generating a £0.010m contribution to the achievement of the 2019/20 budget reduction target.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Unable to gain additional contracts.	Potential clients will be actively pursued.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Formal approval of proposal.	27 February 2019.
N/A	N/A
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
There is a budget of £0.179m for pest control fees in the current financial year. A total of £0.214m was collected in 2017/18. Service users include private citizens, internal Council departments and external corporate clients (including First Choice Homes and Schools). There is a degree of competition within this sector with private sector firms also supplying a similar service. As such, demand is likely to be price elastic i.e. as the price rises the demand for the service will decrease. However, an increase in income of £0.010m is considered achievable.

Signed RO	13-Sep-2018

Signed Finance	28-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr A Shah 14-Jan-2019

Oldham Council

Reference :	PPL-BR1-233
Responsible Officer :	Peter Wood
Cabinet Member :	Cllr A Shah
Support Officer :	Angela Lees

BR1 - Section A

Service Area :	Soft Facilities Management
Budget Reduction Title :	Additional Bus Lane Enforcement

Budget Reduction Proposal - Detail and Objectives :

The Council proposes implementing further bus lane enforcement to the following areas:

- Market Street in Shaw – Bus only street
- Ashton Road (North bound – Copsterhill Road to King Street)
- St Marys Way (Tommyfield)
- Ashton Road Northbound (Hathershaw School)
- Oldham Road Royton

The indicative costs for the installation of the new CCTV camera system including all licences and software support is estimated at £97,920 with annual costs from year two of £18,372 (no charge to year one). It is estimated that the work associated with providing electrical connections, upgrading the highway and the implementation of lines and signs, is estimated at £0.120m for the five sites identified.

It is anticipated it would take circa 6 months to implement the works and new CCTV system based on the implementation of previous bus lanes. The legal work associated with updating the Traffic Regulation Orders has already been completed.

2018/19 Service Budget and Establishment	£000
Employees	113
Other Operational Expenses	1,898
Income	(2,088)
Total	(77)

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	3.50

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(132)	(103)	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None.
Service Delivery
Parking Services will negotiate the additional monitoring requirements with NSL the Council's Parking Enforcement Agency.
Future expected outcomes
None.
Organisation
Parking Services will performance manage the additional bus lanes through the NSL contract.
Workforce
None.
Communities and Service Users
None.
Oldham Cares
None.
Other Partner Organisations
None.

Who are the key stakeholders?

Staff	No
Elected Members	No
Residents	No
Local business community	No
Schools	No
Trade Unions	No
External Partners (if yes please specify below)	No
N/A	
Other Council Departments (if yes please specify below)	No
N/A	
Other (if yes please specify below)	Yes
Transport for Greater Manchester (TfGM)	

Benefits to the organisation/staff/customers including performance improvements
The Council is seen by TfGM to be enforcing bus lanes that were previously constructed but not enforced.

Section C

Key Risks and Mitigations:

Risk	Mitigation
The level of Penalty Notice Charges (PNC's) issued, reduces below expected income levels.	Regular updates on PNC's issued and action plan developed for any adverse reduction in income generated.
Negative publicity.	Clear communication plan developed.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Proposal considered for approval.	27 February 2019.
Implementation of bus lane enforcement.	Late summer 2019.
N/A	N/A
N/A	N/A

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	07-Nov-2018	14-Feb-2019
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
Finance comments are included within the additional information section.

Signed RO	19-Oct-2018
Signed Finance	15-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr A Shah 14-Jan-2019

Additional Information (if required)

The proposal is to install 5 new enforcement camera's at the following bus lane routes around the borough.

Market St in Shaw
Ashton Road (north bound) Copsterhill Road to King St
St Mary's Way Tommyfield
Ashton Road (north bound) Hathershaw School
Oldham Rd Royton

The proposal requires an initial capital outlay of circa £0.218m to cover the purchase and installation of the cameras and the required groundwork / site preparation. (the 1st years licencing and software costs are included in this figure)

It is anticipated that the 5 new cameras will generate circa £0.280m per annum in additional income based on estimated contravention figures of 8,320 PNC's paid at the current average payment rate of £33.62. The estimated contravention figures are based on the current bus lane enforcement cameras in operation.

Ongoing management and maintenance costs have been calculated at circa £0.045m per annum resulting in a net income generation of £0.235m.

	£'000
Income	(280)
Expenditure	45
Net Surplus	(235)

Due to a six month lead-in time the first year option has been calculated at £0.132m increasing to £0.235m in the second full year of operation.

It is anticipated that the inital capital outlay will be funded through unallocated capital resources. However if funding is met through additional prudential borrowing the service will incure annual repayment costs. This will reduce the full year budget option.

Oldham Council

BR1 - Section A

Reference :	PPL-BR1-207
Responsible Officer :	Carol Brown
Cabinet Member :	Cllr A Shah
Support Officer :	John McAuley

Service Area :	Street Lighting
Budget Reduction Title :	Revised Performance Standards

Budget Reduction Proposal - Detail and Objectives :

The proposal will bring revised service standards for photometric testing of street lights. Current performance levels in the contract allow for this adjustment with nil-minimal effect.

2018/19 Service Budget and Establishment	£000
Employees	134
Other Operational Expenses	6,490
Income	(2,530)
Total	4,094

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	4.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(11)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
NIL.
Service Delivery
NIL.
Future expected outcomes
NIL.
Organisation
NIL.
Workforce
NIL.
Communities and Service Users
NIL.
Oldham Cares
NIL.
Other Partner Organisations
NIL.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Reduction in revenue expenditure will support the Council's financial position.

Section C

Key Risks and Mitigations:

Risk	Mitigation
No risks identifiable as the adjustment has a nil effect.	N/A
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Formal approval of proposal.	27 February 2019.
N/A	N/A
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The value of the PFI is approximately £3.450m p.a. (current level of the Unitary Charge element). The Unitary charge pays for the maintenance of the street lighting to an agreed standard within the borough. This includes testing work performed by the contractor to monitor that satisfactory lighting levels are being maintained for lighting equipment (i.e. brightness of apparatus meets the agreed standard set in the PFI). This saving will be achieved by reducing the number of tests performed to a level that is still considered safe and satisfactory. As a result, this saving is achievable.

Signed RO	13-Sep-2018
Signed Finance	28-Aug-2018

Cabinet Member Signature		
Name and Date	Cllr A Shah	14-Jan-2019

Oldham Council

Reference :	PPL-BR1-202
Responsible Officer :	Peter Wood
Cabinet Member :	Cllr S Fielding
Support Officer :	Roger Frith

BR1 - Section A

Service Area :	Corporate Landlord (including Facilities Management)
Budget Reduction Title :	Property Savings and Accommodation Review

Budget Reduction Proposal - Detail and Objectives :

The Council has a large and diverse property portfolio and significant progress has been made to rationalise the office estate of the Council and make budget savings. This proposal is to address the remainder of the estate and will deliver cost savings, new income and capital receipts. Addressing the opportunities that exist in the remainder of the portfolio requires a fundamental review of the Council's approach to both its property assets and the management of those assets. This review and approach is captured in the Council's Medium Term Property Strategy.

Firstly, there is an operational estate with annual running costs of circa £14.000m and a maintenance backlog of £40.000m. Further rationalisation of this estate is required in light of changing service delivery arrangements across the Council and with partners, although it will also will require a more radical property strategy.

Secondly there is a non-operational estate that comprises circa 3,250 individual assets producing a net income of £1.000m. These headline figures hide the detail behind the portfolio which includes:

- A large number of low value, low yielding assets that require rationalisation and in which there are opportunities to generate increased income;
- A small number of "pure" investments where the focus should be on maximising income growth and income security and therefore require maintenance and investment to maintain the income stream; and
- Community assets treated as investments, but in reality serve a purpose greater than simply income/capital optimisation, although their cost is not explicitly identified.

2018/19 Service Budget and Establishment	£000
Employees	492
Other Operational Expenses	23,856
Income	(18,838)
Total	5,510

Current Forecast (under) / overspend	115

Number of posts (Full time equivalent)	15.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(500)	(2,000)	(2,000)
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
All Council property (land & buildings) is affected by this proposal.
Service Delivery
The management of Council properties, largely undertaken by Unity Partnership Limited (UPL) will need to change as the portfolio changes.
Future expected outcomes
A smaller more efficient property portfolio with a greater number of categories rather than operational and non-operational, as reflected in the Corporate Property Strategy, aligning more closely with the objectives and priorities of the Council.
Organisation
As property is used to deliver Council services it is an enabler to transformational change within the organisation.
Workforce
As property is used to deliver Council and partner services, any portfolio change will affect staff.
Communities and Service Users
Better identification of assets important to communities in support of the co-operative agenda, including Community Asset Transfer. As property is used to deliver Council services, any portfolio change has the opportunity to improve the experience of service users.
Oldham Cares
The current property portfolio includes properties used by Oldham Cares and any changes to the portfolio may impact on the operations of Oldham Cares.
Other Partner Organisations
In recent years there has been an increase in the co-location of services, this is expected to continue.

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	Yes
Local business community	Yes
Schools	Yes
Trade Unions	Yes
External Partners (if yes please specify below)	Yes
Schools, health, blue light services etc.	
Other Council Departments (if yes please specify below)	Yes
All services.	
Other (if yes please specify below)	Yes
Unity Partnership Limited.	

Benefits to the organisation/staff/customers including performance improvements
Long term revenue savings from a smaller more focused property portfolio. Improvements for staff and customers when property is used to facilitate organisational change.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Decision making too slow to enable the Council to take the benefit from time sensitive investment opportunities.	Review Council decision making arrangements.
Operational estate rationalisation does not take place.	Business case approach to decision making to drive a programme of change.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Property Worksops to review existing estate.	November 2018.
Review Medium Term Property Strategy.	February 2019.
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The proposal will be achieved from a reduction in property costs and measures to generate increased income from the Council's investment estate, along with capital receipts from any properties disposed. The Council's Property Rationalisation Programme Board is working on detailed proposals to implement the Medium Term Property Strategy to ensure that the proposals can be met from the 2019/20 financial year onwards.

Signed RO	22-Oct-2018

Signed Finance	28-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr S Fielding 14-Jan-2019

Oldham Council

Reference :	REF-BR1-248
Responsible Officer :	Rebekah Sutcliffe
Cabinet Member :	Cllr S Fielding
Support Officer :	Jonathan Downs

BR1 - Section A

Service Area :	District Partnerships
Budget Reduction Title :	Review of District Working

Budget Reduction Proposal - Detail and Objectives :

There have been significant changes in the overall operating environment since the Council last reviewed district working in 2012/13.

The proposal seeks to review the current model of district working in the context of the wider reform agenda, to ensure that we operate in the most effective way to support elected members and to deliver better outcomes for residents.

Fundamental to this is the democratic role of elected members who lead on strengthening democracy and civil society. Elected members have a key role to play informing the approach and acting as ambassadors and local commissioners of activity to support the co-operative and Oldham Model.

Whilst the primary driver of the review is to ensure the effectiveness of district working going forward, it is anticipated that the review will achieve savings of at least £0.070m and further savings may arise as the review starts to take shape.

2018/19 Service Budget and Establishment	£000
Employees	841
Other Operational Expenses	565
Income	(246)
Total	1,160

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	21.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(70)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None at this stage of the review.
Service Delivery
The proposal seeks to strengthen support to elected members and to deliver better outcomes for residents.
Future expected outcomes
None
Organisation
The proposal seeks to review the current model of district working to ensure that we operate in the most effective way.
Workforce
The proposal will consider the effectiveness of district working in the context of the Oldham model and the wider reform agenda across Greater Manchester.
Communities and Service Users
The proposal seeks to deliver better outcomes for residents.
Oldham Cares
The review of district working will be considered in the context of Oldham Cares.
Other Partner Organisations
The Oldham Partnership are committed to working together as a system, rather than individuals, so that we deliver the Oldham model through effective collaborative working, harnessing the potential of all resources and assets to improve outcomes for people and the place.

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	Yes
Local business community	No
Schools	No
Trade Unions	No
External Partners (if yes please specify below)	Yes
Oldham Leadership Board Members	
Other Council Departments (if yes please specify below)	Yes
District Partnership Team	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements
The importance of an infrastructure for place-based working has become more complex but with a clear ambition for effective integration and commitment to whole system leadership. Fundamental to this is the democratic role of elected members who lead on strengthening democracy and civil society. Elected members have a key role to play informing the approach and acting as ambassadors and local commissioners of activity to support the co-operative and Oldham Model.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Key risks will be developed as part of the project plan for the review.	N/A
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Completion of review.	End of January 2019.
Budget proposal to be considered for approval.	27 February 2019.
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	Yes

Section E

Finance Comments
The review of District Working is primarily focused on the effectiveness of the service it is however proposed that a financial saving of at least £70k will be delivered as part of the review, which if completed within the anticipated timeframe will be in place to be fully realised in 2019/20.

Signed RO	19-Oct-2018
Signed Finance	19-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr S Fielding 14-Jan-2019

Reference:	REF-BR1-248
Responsible Officer	Rebekah Sutcliffe
Cabinet Member:	Cllr S Fielding
Support Officer	Jonathan Downs

Equality Impact Assessment Tool

Service Area:	District Partnerships
Budget Reduction Title:	Review of District Working

Stage 1: Initial Assessment

1a	**Which service does this project, policy or proposal relate to?**
	The District Partnerships
1b	**What is the project, policy or proposal?**
	The proposal seeks to review the current model of district working to ensure that we operate in the most effective way to support elected members and to deliver better outcomes for residents. Fundamental to this is the democratic role of elected members who lead on strengthening democracy and civil society. Elected members have a key role to play informing the approach and acting as ambassadors and local commissioners of activity to support the co-operative and Oldham Model. It is anticipated that the review will achieve savings of at least £70k and further savings may arise as the review starts to take shape. We will continue to revisit the EIA as the District review develops, ensuring any potential equality impacts are identified.
1c	**What are the main aims of the project, policy or proposal?**
	• To consider district working in the context of the wider reform agenda, to ensure we operate in the most effective way to support elected members and to deliver better outcomes for residents. • To consider how elected members can be supported in their role as democratic leaders, and in particular at a place based level. • To review the effectiveness of District Executives in the context of meaningful local democratic engagement, devolved decision making and support for elected members to secure local democratic engagement and strong community leadership. • To review how we gather insight and intelligence from Elected Members and residents at a place based level to inform improved outcomes for residents through commissioning, service delivery and community action.
1d	**Who, potentially, could this project, policy or proposal either benefit or have a detrimental effect on, and how?**
	There would be no detrimental impact to communities or specific groups. The proposal will seek to strengthen district working arrangements, supporting elected members and delivering better outcomes for residents.

1e	Does the project, policy or proposal have the potential to disproportionately impact on any of the following groups?				
		None	Positive	Negative	Not sure
	Disabled people	☒	☐	☐	☐
	Particular ethnic groups	☒	☐	☐	☐
	Men or women (includes impacts due to pregnancy / maternity)	☒	☐	☐	☐
	People of particular sexual orientation/s	☒	☐	☐	☐
	People in a Marriage or Civil Partnership	☒	☐	☐	☐
	People who are proposing to undergo, are undergoing, or have undergone a process or part of a process of gender reassignment	☒	☐	☐	☐
	People on low incomes	☒	☐	☐	☐
	People in particular age groups	☒	☐	☐	☐
	Groups with particular faiths or beliefs	☒	☐	☐	☐
	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 the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
		☒	☐

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 ☐
		No ☒
1h	**How have you come to this decision?**	
	There is no detrimental impact to communities or specific groups. When outlining the proposal in the BR1 form it was identified that there was a potential negative impact on *people on low incomes*. However, during the Stage 1 EIA process this impact had been mitigated, so it was not necessary to complete a full EIA.	

Stage 5: Signature

Role	Name	Date
Lead Officer	Jonathan Downs	12/12/18
Approver Signatures	Rebekah Sutcliffe	12/12/18

EIA Review Date:	December 2019

Oldham Council

Reference :	REF-BR1-230
Responsible Officer :	Lewis Greenwood
Cabinet Member :	Cllr S Fielding
Support Officer :	Lewis Greenwood

BR1 - Section A

Service Area :	Executive Support
Budget Reduction Title :	Review of Executive Support Function and non pay budgets

Budget Reduction Proposal - Detail and Objectives :

A review of the functions and non pay budgets of the Executive Support Team has been undertaken, taking into account priorities and alignment of the Senior Management Team and Executive Members of the Organisation. The Executive Support Team is aligned to the Senior Management structure of the Organisation and this review has realised a saving of £0.030m.

2018/19 Service Budget and Establishment	£000
Employees	593
Other Operational Expenses	194
Income	(772)
Total	15

Current Forecast (under) / overspend	(21)

Number of posts (Full time equivalent)	16.80

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(30)	0	0
Proposed Staffing Reductions (FTE)	(1.00)	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
There is no impact on property.
Service Delivery
There is no impact on service delivery.
Future expected outcomes
N/A
Organisation
The service model is aligned to the Organisational structure and therefore there is no impact.
Workforce
There is no impact on the workforce.
Communities and Service Users
N/A
Oldham Cares
There is no impact on Oldham Cares.
Other Partner Organisations
There is no impact on other partner organisations.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
The service aligns with the Senior Management Structure and so it ensures that the service and the Council continues to deliver in line with its co-operative objectives.

Section C

Key Risks and Mitigations:

Risk	Mitigation
The service has been operating under this model for a period of time and therefore there is no risk on this proposal.	The role and function of the team will address organisational and senior management priorities.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Consulation in line with S188 notice.	Until Thursday, 14 February 2019.
N/A	N/A
N/A	N/A
N/A	N/A

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	14-Nov-2018	14-Feb-2019
Trade Union	14-Nov-2018	14-Feb-2019
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The staffing review in the Executive Support Team will deliver a budget reduction on an ongoing basis of £0.030m per annum for 2019-20 onwards.

Signed RO	17-Sep-2018
Signed Finance	18-Sep-2018

Cabinet Member Signature	
Name and Date	Cllr S Fielding 14-Jan-2019

Oldham Council

Reference :	REF-BR1-229
Responsible Officer :	Rebekah Sutcliffe
Cabinet Member :	Cllr S Fielding
Support Officer :	Lewis Greenwood

BR1 - Section A

Service Area :	Policy
Budget Reduction Title :	Review of Design and Assurance

Budget Reduction Proposal - Detail and Objectives :

It has been agreed that a design and assurance function will be established which will strengthen our co-operative culture to enable a whole system approach to design, innovation and change in order to deliver the priorities of the Oldham Model. The function will develop systems, governance and provide support to improve service delivery across all parts of the internal and external 'system'. This is to include a commissioning and reporting relationship with Unity Partnership Limited giving greater visibility and assurance on all change projects, investment and change capacity across the Organisation.

The following services are key to ensure that this function is delivered effectively:
- Strategy, Partnerships and Policy (excluding Executive Support)
- Communications and Marketing
- Business Intelligence
- Transformation Programme Management Office

A review of the broader change functionality across the Organisation, including the services above and Unity Partnership, is to be undertaken with any proposed structural changes being developed and proposed through extensive consultation with staff and stakeholders.

Within the services included above, there are currently 72.5 FTE's with a combined service budget of £2.700m.

Further detail is included in additional information.

2018/19 Service Budget and Establishment	£000
Employees	2,677
Other Operational Expenses	502
Income	(478)
Total	2,701

Current Forecast (under) / overspend	44

Number of posts (Full time equivalent)	72.50

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(250)	(250)	0
Proposed Staffing Reductions (FTE)	(10.00)	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
It is not yet known if, what any, impact there will be on property however it is envisaged that this will be minimal.
Service Delivery
The impact of service delivery will be considered as options are developed however, with a design and assurance function in place, service delivery will improve and will ensure there is even greater visibility and assurance on all change projects, investment and change capacity across the Organisation.
Future expected outcomes
In terms of services, outcomes are expected to be improved through development of this function, as the review of the functions within the team will align to current and future business plans and will have strong connectivity to the Oldham Model.
Organisation
Through the Senior Management Team, the Organisation is aware that a Strategic Design Authority Board has been established which provides strategic oversight to change projects, investment and change capacity across the Organisation.
Workforce
This is to be considered as specific options in relation to the function are developed.
Communities and Service Users
N/A at this stage.
Oldham Cares
It is not intended to include Oldham Cares within this review at this stage however, opportunities for joint working with Oldham Cares will be explored.
Other Partner Organisations
N/A

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	No
Local business community	No
Schools	No
Trade Unions	Yes
External Partners (if yes please specify below)	No
N/A	
Other Council Departments (if yes please specify below)	Yes
Services across the Organisation who undertake change delivery	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements
The review would ensure that there is greater visibility and assurance on all change projects, investment and change capacity across the Organisation. The functions will reflect and align to corporate priorities, providing greater insight into the effectiveness of support services and of operational delivery, ensuring the council continues to deliver service improvement in line with corporate objectives.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Potential of capacity issues will be identified through options proposed.	The role and function of the services included will align with and address corporate priorities and requirements.
Potential redundancies resulting in knowledge and skills gap within each of the services.	Through any consultation process, there will be a clear matrix in place which sets out the knowledge and skills required in order to deliver the design and assurance function.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Engagement with Leadership Star Chamber and Senior Management Team.	November 2018
Engagement and consultation with staff and trade unions.	In line with the S188 notice.
N/A	N/A
N/A	N/A

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	14-Nov-2018	14-Feb-2019
Trade Union	14-Nov-2018	14-Feb-2019
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The proposal is to generate a full year saving of £0.500m p.a. through the creation of a Design and Assurance function, the saving will be delivered in two tranches of £0.250m in each of 2019/20 and 2020/21. Please see additional information.

Signed RO	17-Oct-2018
Signed Finance	16-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr S Fielding 14-Jan-2019

Additional Information (if required)

Organisational benefits continued:

The design and assurance function will also hold responsibility for gathering insight to intelligence about our population to inform effective commissioning.

Of the 72.5 posts across the services, it should be noted that 16 posts are either fixed term or temporary and funded from service budgets or the Transformation reserve and therefore, the actual number of permanent members of staff funded from service base budgets is 56.5.

In order to ensure the design and assurance function is fit for purpose, consideration will be given to the overall capacity and capability required across the services including Unity Partnership to effectively deliver the Design and Assurance function. Any potential structural changes will be developed through engagement and consultation with staff, stakeholders and trade unions. Opportunities for joint working and sharing capacity across existing teams will be fully explored.

Specific and detailed proposals will be developed in consultation with staff, stakeholders and trade unions and in doing so, it is recognised that in pursuing efficiencies there will be a resulting reduction in the number of FTE's across the services.

In order to achieve the full savings target, it is proposed that the combined service budget would see a reduction of £0.230m over the two financial years. In addition, a review will be undertaken looking at the total amount of spend on consultants and change programmes across the Organisation.

As part of achieving this saving, the following proposals are to be considered:

- £2,500 reduction in non-pay budget of Strategy, Partnerships and Policy
- discontinue the Council's membership of LGIU - £10,000.

- A review of the form and function of the Communications, Business Intelligence and Transformation PMO will be undertaken where it is envisaged that there could be a reduction of up to ten FTE's.

Further work is to be developed in order to achieve the remaining £0.270m over the next two years. This work will look to reduce the spend on consultants and external resources across the Organisation.

Finance Comments (Continued)

As part of the proposal the combined service budgets of Strategy, Partnerships and Policy (excluding Executive Support, Communications and Marketing, Business Intelligence and Transformation Programme Management Office) would see a reduction of £0.230m over the two financial years - £0.115m in 2019/20 and £0.115m in 2020/21. Further work is to be developed in order to achieve the remaining £0.270m over the next two years. This work will look to reduce the spend on consultants and external resources across the Organisation and will deliver a reduction of £0.135m in 2019/20 and an additional £0.135m in 2020/21.

The proposed reduction cuts across a number of Council Services and is still in the development phase, with further work being required to fully scope and cost the proposal to ensure successful implementation.

Oldham Council

Reference :	REF-BR1-201
Responsible Officer :	Sheena Macfarlane
Cabinet Member :	Cllr P Jacques
Support Officer :	Andy Cooper

BR1 - Section A

Service Area :	Heritage Libraries and Arts
Budget Reduction Title :	Oldham Library and Lifelong Learning Service - ICT Services

Budget Reduction Proposal - Detail and Objectives :

The transfer of the ICT managed service from Allied to Unity has generated a headline annual saving of £0.264m. After charging the revised service fee, aligning the library PFI budget, financing capital expenditure of £0.245m through prudential borrowing and making provision for equipment refresh there is a potential saving of circa £0.070m per annum. The saving for 2018/19 will be retained within the service to deal with any unforeseen costs or gaps in the level of service contained within the agreed initial fee. Assuming no additional call is required, a budget reduction of £0.070m is available in 2019/20.

2018/19 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	3,279
Income	(1,803)
Total	1,476

Current Forecast (under) / overspend	(106)

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(70)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None.
Service Delivery
None.
Future expected outcomes
None.
Organisation
None.
Workforce
None.
Communities and Service Users
None.
Oldham Cares
None.
Other Partner Organisations
None.

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	Yes
Local business community	No
Schools	No
Trade Unions	No
External Partners (if yes please specify below)	Yes
Unity Partnership Limited.	
Other Council Departments (if yes please specify below)	No
N/A	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements
In addition to generating a budget reduction, the headline saving has enabled the overall library PFI budget to be realigned, facilitated capital expenditure to upgrade the current equipment and provide better facilities for users. In addition, the creation of a refresh fund provides an element of 'future proofing' by making available resources to deal with future upgrades and equipment replacement.

Section C

Key Risks and Mitigations:

Risk	Mitigation
If the revised service fee is substantially lower than the original charge, there is a risk that the revised charge does not cover all of the services previously provided by Allied. Increased charges will reduce the potential saving.	The saving generated within 2018/19 will be retained within the service, specifically to deal with any such issues.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Review the 2018/19 monitoring reports and final outturn expenditure (and service performance) to determine the availability of the proposed saving in 2019/20.	Review periodic monitoring reports (months 6, 8 and 9) and final outturn expenditure in April 2019.
N/A	N/A
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The savings proposal forms part of the delegated decision made in June 2018. The budget reduction of £0.070m is based on an estimated saving after a number of other calls have been made against the headline saving of £0.264m. The main risk being that the renegotiated ICT service charge does not cover the full range of services previously provided and that additional charges will need to be incurred. Mitigations are however in place to deal with this risk.

Signed RO	31-Aug-2018

Signed Finance	31-Aug-2018

Cabinet Member Signature		
Name and Date	Cllr P Jacques	14-Jan-2019

Oldham Council

Reference :	REF-BR1-225
Responsible Officer :	Sheena Macfarlane
Cabinet Member :	Cllr P Jacques
Support Officer :	Sheena Macfarlane

BR1 - Section A

Service Area :	Heritage Libraries and Arts
Budget Reduction Title :	Reduction in library casual staff budget

Budget Reduction Proposal - Detail and Objectives :

Delph Library is run by a Community Association and since April there has been a phased withdrawal of library staff support and there are now sufficient volunteers to deliver the offer at Delph. The proposal is therefore for a reduction in the budget for casual staff equivalent to 20 hours per week for casual library assistants at Delph library.

There will be no impact on Library staff as permanent staff will be redeployed to relieve pressure at other library sites.

2018/19 Service Budget and Establishment	£000
Employees	1,594
Other Operational Expenses	482
Income	(345)
Total	1,731

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	57.13

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(10)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None.
Service Delivery
None. Delph Library will still be provided with resources, training and professional staff support.
Future expected outcomes
None.
Organisation
None.
Workforce
Staff currently working at Delph will be re-deployed to other libraries.
Communities and Service Users
None.
Oldham Cares
None.
Other Partner Organisations
None.

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	Yes
Local business community	No
Schools	No
Trade Unions	No
External Partners (if yes please specify below)	Yes
Delph Community Association	
Other Council Departments (if yes please specify below)	No
N/A	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements
A £0.010m contribution to the achievement of the 2019/20 budget reduction target.

Section C

Key Risks and Mitigations:

Risk	Mitigation
The switch to volunteer-only staffing may impact on the quality of service delivery.	The phased withdrawal over time allows for any such impact to be managed and addressed.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Delph Community Association informed and staff briefed	November 2018.
N/A	N/A
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The proposal is for a saving equivalent to 20 hours per week in the budget for casual library staff, equating to £9,461 p.a. There would appear to be minimal risk in the delivery of this option.

Signed RO	18-Oct-2018
Signed Finance	31-Aug-2018

Cabinet Member Signature		
Name and Date	Cllr P Jacques	14-Jan-2019

Oldham Council

Reference :	REF-BR1-242
Responsible Officer :	Sheena Macfarlane
Cabinet Member :	Cllr P Jacques
Support Officer :	Sheena Macfarlane

BR1 - Section A

Service Area :	Heritage Libraries and Arts
Budget Reduction Title :	Reduction in grants to cultural organisations

Budget Reduction Proposal - Detail and Objectives :

Historically the Coliseum Theatre (OCT) and Saddleworth Museum & Arts Gallery (SMAG) have received grants from Oldham Council to support their organisations. OCT receives £145,550 p.a. and SMAG £23,000 p.a. There is no formal agreement in place with OCT but an annual agreement is made with SMAG. The grants are given for general funding purposes and are not aligned with any specific outcomes. These amounts have been maintained at this level over the last 10 years. The proposal is to continue with the grants but reduce them by 5%.

2018/19 Service Budget and Establishment	£000
Employees	852
Other Operational Expenses	332
Income	(36)
Total	1,148

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	25.52

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(9)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None
Service Delivery
None
Future expected outcomes
None
Organisation
None
Workforce
None
Communities and Service Users
None
Oldham Cares
None
Other Partner Organisations
Both the Coliseum Theatre and Saddleworth Museum would be expected to bridge the funding gap.

Who are the key stakeholders?

Staff	No
Elected Members	Yes
Residents	No
Local business community	No
Schools	No
Trade Unions	No
External Partners (if yes please specify below)	Yes
Coliseum Theatre and Saddleworth Museum	
Other Council Departments (if yes please specify below)	No
N/A	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements
A £0.009m contribution to the achievement of the 2019/20 budget reduction target.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Relationship with partner organisations deteriorates and organisations are unable to meet funding gap.	Council continues to support both organisations with grant funding, joint working and involvement in other opportunities that arise.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Both organisations have been notified of the saving proposal.	Autumn 2018.
N/A	N/A
N/A	N/A
N/A	N/A

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	07-Nov-2018	14-Feb-2019
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The saving will be achieved by a 5% reduction in the grants made to OCT and SMAG, a £0.009m reduction in grants totalling £0.169m, it is anticipated that the reduction will be achieved in full.

Signed RO	18-Oct-2018
Signed Finance	16-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr P Jacques 14-Jan-2019

Additional Information (if required)
The Coliseum Theatre also hold the lease from the Council on their current premises on the basis of a peppercorn rent. The Council will continue to be responsible for any current and future theatre premises. Saddleworth Museum have recently opened to the public following a period of refurbishment which was funded by HLF and funds raised by the Museum Trust. Additional temporary HLF funds and staff are in place to support rebuilding audiences following the period of closure. This includes funding for an Activity Plan and an Education Officer for a time limited period.

Oldham Council

Reference :	REF-BR1-243
Responsible Officer :	Sheena Macfarlane
Cabinet Member :	Cllr P Jacques
Support Officer :	Sheena Macfarlane

BR1 - Section A

Service Area :	Heritage Libraries and Arts
Budget Reduction Title :	Reduction in Business Support Staff for Oldham Music Service

Budget Reduction Proposal - Detail and Objectives :

In recent years Oldham Music Service has made £0.045m savings and currently brings in through fees and charges and Arts Council Music Hub grant approximately 90% of the total operating cost of the service (including recharges and depreciation). There are 3 fte Business Support Officers, 1 fte Bursar and an Administration Apprentice supporting the delivery of a highly cost-effective, income-generating service. The proposal is to reduce the level of business support by 1 fte.

2018/19 Service Budget and Establishment	£000
Employees	1,329
Other Operational Expenses	125
Income	(1,681)
Total	(227)

Current Forecast (under) / overspend	43

Number of posts (Full time equivalent)	32.34

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(24)	0	0
Proposed Staffing Reductions (FTE)	(1.00)	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None
Service Delivery
None
Future expected outcomes
None
Organisation
The service will have to redistribute tasks and responsibility amongst the team and/or consider working differently.
Workforce
Reduction in staff posts by 1fte is likely to incur redundancy costs.
Communities and Service Users
None
Oldham Cares
None
Other Partner Organisations
None

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
A £0.045m contribution to the achievement of the 2019/20 budget reduction target.

Section C

Key Risks and Mitigations:

Risk	Mitigation
The service is less able to invoice and track payments resulting in loss of income.	Redistribution of tasks and responsibilities amongst the team and review of admin processes.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Affected staff have been notified of the savings proposal.	November 2018.
N/A	N/A
N/A	N/A
N/A	N/A

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	14-Nov-2018	14-Feb-2019
Trade Union	14-Nov-2018	14-Feb-2019
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The Music Service is a traded service, and is currently forecast to overspend by £0.043m in 2018/19. The proposal is to reduce business support by 1 FTE, which it is anticipated can be fully achieved in 2019/20. There does however remain the issue of other pressures within the service for which management action is in train.

Signed RO	18-Oct-2018
Signed Finance	16-Oct-2018

Cabinet Member Signature	Paul J Jacques	
Name and Date	Cllr P Jacques	14-Jan-2019

Oldham Council

Reference :	REF-BR1-234
Responsible Officer :	Katrina Stephens
Cabinet Member :	Cllr A Shah
Support Officer :	Katrina Stephens

BR1 - Section A

Service Area :	Public Health (Client and Delivery)
Budget Reduction Title :	Get Oldham Growing

Budget Reduction Proposal - Detail and Objectives :

Get Oldham Growing is a public heath funded community engagement programme launched in April 2014 which aims to work with communities and individuals across Oldham around food – growing, cooking and healthy eating – building skills, supporting entrepreneurship and addressing the wider determinants of physical and mental health such as social connections, physical activity and feelings of achievement.

This proposal would reduce the overall budget for the programme through:
- Not renewing the contracts for two health ambassador posts (due to end December 2018 and March 2019). The health ambassadors support community groups and individuals and provide wider health messages. (£0.024m)
- Ending the Growing Entrepreneurs programme which provides support for growing in schools. (£0.010m)
- Reducing financial support for Alexandra Park growing hub. (£0.016m)

2018/19 Service Budget and Establishment	£000
Employees	45
Other Operational Expenses	67
Income	(0)
Total	112

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	1.48

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(50)	0	0
Proposed Staffing Reductions (FTE)	(0.88)	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None
Service Delivery
Reduced direct support for community groups and schools to establish and run growing activities/projects.
Future expected outcomes
Potential impact on health outcomes, as growing has a positive impact on physical and mental health and wellbeing.
Organisation
Get Oldham Growing has been a high profile, award winning, programme, therefore reduction in programme funding may generate adverse publicity.
Workforce
Loss of 2 fixed term health ambassador posts, and reduced funding for the coordinator post may mean that the contracted hours for this post has to be reduced.
Communities and Service Users
Reduced direct support for community groups and schools to establish and run growing activities/projects.
Oldham Cares
Potential impact on health outcomes, as growing has a positive impact on physical and mental health and wellbeing.
Other Partner Organisations
Reduced direct support for community groups and schools to establish and run growing activities/projects.

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	Yes
Local business community	No
Schools	Yes
Trade Unions	Yes
External Partners (if yes please specify below)	Yes
Voluntary and community sector	
Other Council Departments (if yes please specify below)	Yes
Environmental Services	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements
This proposal will contribute to the achievement of the budget reduction target for 2019/20.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Fewer growing projects are established as a result of loss of health ambassador posts and growing entrepreneur scheme.	Please see additional information.
Reduced investment in physical infrastructure/assets of the growing hubs will mean the network of growing hubs cannot be developed further.	Please see additional information.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Discuss impact of reduction in funding for Alexandra Park hub and agree a way forward to minimise impact.	November 2018
Schools notified of changes to growing entrepreneur scheme.	December 2018
Programme plans for 2019/20 developed focusing on developing skills and building sustainability through the provision of training and support for growing in Oldham.	January 2019
N/A	N/A

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	14-Nov-2018	14-Feb-2019
Trade Union	14-Nov-2018	14-Feb-2019
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	Yes

Section E

Finance Comments
The proposal is to reduce the Public Health funded contribution towards Get Oldham Growing by £0.050m across a range of measures; - Not renewing the contracts for two health ambassador posts (£0.024m), ending the Growing Entrepreneurs programme (£0.010m)and reducing financial support for Alexandra Park growing hub (£0.016m). Notwithstanding the risks identified it is anticipated that the reduction can be delivered in full.

Signed RO	19-Oct-2018
Signed Finance	16-Oct-2018

Cabinet Member Signature		
Name and Date	Cllr A Shah	14-Jan-2019

Additional Information (if required)
Risk Mitigation 1 Support will continue to be available through the four existing growing hubs, and through training and other events organised by Get Oldham Growing. Alternative mechanisms for supporting schools will be explored including a network of schools interested in growing to provide mutual support and the development of volunteer growing champions to support schools. Risk Mitigation 2 The programme will focus on supporting the development of growing skills and building sustainability, as well as providing support for groups wishing to establish growing projects/hubs to access alternative funding sources. In addition the programme will work alongside other linked programmes, such as Growing Oldham Feeding Ambition, to ensure best use of available resources to support growing in Oldham.

		Reference:	**REF-BR1-234**
Responsible Officer	**Katrina Stephens**		
Cabinet Member:	**Cllr A Shah**		
Support Officer	**Katrina Stephens**		

Equality Impact Assessment Tool

Service Area:	**Public Health (Client and Delivery)**
Budget Reduction Title:	**Get Oldham Growing**

Stage 1: Initial Assessment

1a	**Which service does this project, policy or proposal relate to?**				
	Get Oldham Growing is a public heath funded community engagement programme launched in April 2014 which works with communities and individuals across Oldham around food – growing ,cooking and healthy eating – building skills , supporting entrepreneurship and addressing the wider determinants of physical and mental health such as social connections, physical activity and feelings of achievement.				
1b	**What is the project, policy or proposal?**				
	Reduction in funding to the Get Oldham Growing programme.				
1c	**What are the main aims of the project, policy or proposal?**				
	To reduce funding to the programme supporting the achievement of the Council's savings plan for 2019/20				
1d	**Who, potentially, could this project, policy or proposal either benefit or have a detrimental effect on, and how?**				
	The proposal could have a detrimental effect on users of the service including families, children and young people, older people, socially isolated people, people from certain ethnic groups and people on low incomes.				
1e	**Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups?**				
		None	**Positive**	**Negative**	**Not sure**
	Disabled people	X	☐	☐	☐
	Particular ethnic groups	☐	☐	X	☐
	Men or women (includes 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 or beliefs	X	☐	☐	☐
	Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
	People who are socially isolated	☐	☐	X	☐

		☐	☐	☐	☐

1f	What do you think 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 ☐
1h	How have you come to this decision?	
	Through agreeing potential areas of funding reductions with colleagues in Environmental Services and Public Health.	

Stage 2: What do you know?

What do you know already?

The proposal is to reduce funding to the Get Oldham Growing programme by :

1. Not renewing the contracts for two health ambassador posts – the health ambassadors support community groups, schools and individuals in growing, walking and other health related activities and provide wider health messages – ending these contracts will end this support. Potentially fewer growing projects will be established and existing projects will receive less support.
2. Ending the Growing Entrepreneur programme which provides support for growing in schools – this will reduce the support for development of growing projects within schools and will reduce the opportunity for children and young people to develop personal, social and entrepreneurial skills.
3. Reducing financial support for the Growing Hub at Alexandra Park – this will affect the service provided by the Hub and could provide less support to children and young people, people who are socially isolated, people on low incomes and people from certain ethnic groups.

What don't you know?

The full numbers of those who might be affected. However, figures from the Alexandra Park Hub for 2017/18 show there were 468 participants within this period, 186 from the 0-24 age range.

Of these participants 186 were aged 0-24, 161 were aged 25-64 and 26 were over 65. In terms of gender 185 attendees were male, 245 were female. Many people attending the Hub did not identify their ethnicity of those who did 11 were White British, 9 were Asian Bangladeshi & 16 identified as Asian Pakistani.

With reduced support for the Hub it is likely these figures will reduce.

Further Data Collection

Summary (to be completed following analysis of the evidence above)

1e	**Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups?**				
		None	**Positive**	**Negative**	**Not sure**
	Disabled people	X	☐	☐	☐
	Particular ethnic groups	☐	☐	X	☐
	Men or women (includes 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 or beliefs	X	☐	☐	☐
	Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
	People who are socially isolated	☐	☐	X	☐
		☐	☐	☐	☐

Stage 3: What do we think the potential impact might be?

3a	**Who have you consulted with?**	
	Environmental Services staff, Interim Director of Public Health We have no plans to consult further at the moment.	
3b	**How did you consult? (include meeting dates, activity undertaken & groups consulted)**	
	Meeting between public health and environmental services 10/10/18 The meeting was between the Interim Director of Public Health – Katrina Stephens and Euey Madden, Greenspace Manager.	
3c	**What do you know?**	
	Case studies have been gathered showing the positive benefits of attending the Alexandra Park Hub, figures have also been gathered at the Hub and from work with the Health Ambassadors showing their impact. Statistics from the Alexandra Park Hub include the Health Ambassadors, it is not possible to pull out statistics for the Health ambassadors only.	
3d	**What don't you know?**	
	Although some funding will be removed from Alexandra Growing Hub GOG still intends to support the Hub financially in future years although at a reduced level.	
3e	**What might the potential impact on individuals or groups be?**	
	Generic (impact across all groups)	
	Disabled people	
x	Particular ethnic groups	A person who attended the Alexandra Park Hub have said '' Coming with my husband has helped him with his mental health, gets him out of the

		house, socialising, improving his English, and when we all come to Hub Explorers its helps us bond with the family. My children learn all about growing and it encourages them to eat fresh organic produce. We feel healthier as we are eating more fruit and veg.” Reduction in support for the Hub and health ambassadors could reduce the benefits and reach of this work.
	Men or women *(include impacts due to pregnancy / maternity)*	
	People of particular sexual orientation/s	
	People in a Marriage or Civic Partnership	
	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	As well as support with growing Alexandra Park Hub offers support around healthy eating and has developed a recipe book of healthy food on a budget. Reduction in support for the Hub and health ambassadors could reduce the benefits and reach of this work.
x	People in particular age groups	People who have attended the Alexandra Park hub said ‘’ Initially I came as a volunteer for myself, but now come with my daughter…It’s good for my daughter- the experience. It’s about getting out in the fresh air, the walk and keeping active. It is beneficial for us both to get out of the house, be more active- good father and daughter time’’ Reduction in support for the Hub and health ambassadors could reduce the benefits and reach of this work. Children and young people would be particularly affected by the removal of the Growing Entrepreneur scheme because an opportunity to learn about growing and developing entrepreneurial skills would no longer exist.
	Groups with particular faiths and beliefs	
	Other excluded individuals *(e.g. vulnerable residents, individuals at risk of loneliness, carers or service and ex-serving members of the armed forces)*	The Growing Hubs and the activities the health ambassadors carry out support connections between people and groups of people, lessening social isolation. Reduction in support for the Hub and health ambassadors could reduce the benefits and reach of this work.

Stage 4: Reducing / Mitigating the Impact

4a	What can be done to reduce or mitigate the impact of the areas you have identified?	
	Impact 1	**Proposal**
	Not renewing contracts	Support will continue to be available to local residents through the 4 existing growing hubs and their volunteers and through training and other events organised by Get Oldham Growing although this will be limited. The community – run Food Network offers some mutual support to growing sites though the capacity to increase this may be limited as this is run by volunteers who may have limited capacity.
	Impact 2	**Proposal**
	Ending the Growing Entrepreneur scheme	Alternative mechanisms for supporting schools will be explored including developing a network of schools interested in growing to provide mutual support and the development of volunteer growing champions to support schools. Schools will also be signposted towards other sources of support and funding such as Green Dividend and Action Together.
	Impact 3	**Proposal**
	Reducing support to the Alexandra Park hub.	Support will continue to be available to local residents through the 4 existing growing hubs and through training and other events organised by Get Oldham Growing although this will be limited. The Get Oldham Growing programme will focus on supporting the development of growing skills and building sustainability as well as providing support for groups wishing to establish growing projects/ hubs to access alternative funding sources. In addition the programme will work with other linked programmes, such as Growing Oldham Feeding Ambition, to ensure the best use of available resources to support growing and community development in Oldham.

4b	Have you done, or will you do anything differently, as a result of the EIA?
	The focus of the programme will change from providing direct support to more signposting. The programme will change from employing staff to encouraging increasing role of volunteers and residents.
4c	**How will the impact of the project, policy or proposal and any changes made to reduce the impact be monitored?**
	Statistics from the Alexandra Park Hub will continue to be gathered and will pick up a reduction in numbers.

Conclusion *This section should record the overall impact, who will be impacted upon, and the steps being taken to reduce / mitigate the impact*
Reduction in support for community level growing and walking could lead to people doing less physical activity, less connections being made between people and less support for schools. This will have an impact on children, families and the general public particularly those on low incomes. However, support will continue to be available to local residents through the 4 existing growing hubs and through training and other events organised by Get Oldham Growing although this will be more limited than current provision. The Get Oldham Growing programme will focus on supporting the development of growing skills and building sustainability as well as providing support for groups wishing to establish growing projects/ hubs to access alternative funding sources. In addition the programme will work with other linked programmes, such as Growing Oldham Feeding Ambition, to ensure the best use of available resources to support growing and community development in Oldham. Alternative mechanisms for supporting schools will be explored including developing a network of schools interested in growing to provide mutual support and the development of volunteer growing champions to support schools.

Stage 5: Signature

Role	Name	Date
Lead Officer	Anne Fleming	11/12/18
Approver Signatures	Katrina Stephens	11/12/18

EIA Review Date:	December 2019

Oldham Council

BR1 - Section A

Reference :	CEX-BR1-252
Responsible Officer :	Carolyn Wilkins
Cabinet Member :	Cllr S Fielding
Support Officer :	Lewis Greenwood

Service Area :	Chief Executive Management
Budget Reduction Title :	Corporate Priorities

Budget Reduction Proposal - Detail and Objectives :

To reduce the level of non-pay budget held within the corporate priorities budget.

2018/19 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	432
Income	(0)
Total	432

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(75)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
There will be no impact on property.
Service Delivery
There will be no impact on service delivery.
Future expected outcomes
N/A
Organisation
There will be no impact on the organisation.
Workforce
There will be no impact on the workforce.
Communities and Service Users
There will be no impact on the community or service users.
Oldham Cares
There will be no impact on Oldham Cares.
Other Partner Organisations
There will be no impact on other partner organisations.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
A £0.075m contribution to the achievement of the 2019/20 budget reduction target.

Section C

Key Risks and Mitigations:

Risk	Mitigation
There is an urgent requirement for investment in a corporate priority for which resources cannot be identified.	There has been an assessment of the likely requirement for investment in corporate priorities which indicates that there are sufficient unallocated reserves to meet any requirement.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Presented to Council for approval.	27 February 2019.
Implementation.	April 2019.
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
There are sufficient unallocated reserves to meet reasonable demands for investment in Corporate Priorities.

Signed RO	26-Oct-2018
Signed Finance	29-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr S Fielding 14-Jan-2019

Oldham Council

Reference :	CCS-BR1-226
Responsible Officer :	Paul Entwistle
Cabinet Member :	Cllr S Fielding
Support Officer :	Elizabeth Drogan

BR1 - Section A

Service Area :	Democratic and Civic Services,Legal
Budget Reduction Title :	Constitutional & Civic and Political support services restructure

Budget Reduction Proposal - Detail and Objectives :

The budget reduction proposal is in relation to a restructure of the Constitutional Services and the Civic and Political support teams. The restructure has identified a budget reduction of £0.030m. The proposal involves consultation with affected staff.

The objective of the restructure is to provide greater resilience and efficiency in the teams and also to achieve a level of savings for the 2019-20 budget process.

2018/19 Service Budget and Establishment	£000
Employees	443
Other Operational Expenses	1,250
Income	(16)
Total	1,677

Current Forecast (under) / overspend	(115)

Number of posts (Full time equivalent)	12.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(30)	0	0
Proposed Staffing Reductions (FTE)	(2.00)	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None.
Service Delivery
The proposals will lead to greater resilience in the respective teams.
Future expected outcomes
Ensuring services for members are delivered seamlessly and with a greater level of support available.
Organisation
The proposals will lead to greater resilience in the respective teams.
Workforce
The restructure involves the deletion of vacant posts which will have limited impact on the workforce.
Communities and Service Users
None.
Oldham Cares
None.
Other Partner Organisations
The impact of the CCG and the Mayoral Committee will be limited.

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	No
Local business community	No
Schools	Yes
Trade Unions	Yes
External Partners (if yes please specify below)	Yes
CCG	
Other Council Departments (if yes please specify below)	Yes
Unity Partnership Limited	
Other (if yes please specify below)	No
None	

Benefits to the organisation/staff/customers including performance improvements
Contribution towards budget reduction target.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Members satisfaction with the revised arrangements.	The continuity of existing staff will mitiate any associated risks.
None	None
None	None

Key Development and Delivery Milestones:

Milestone	Timeline
Staff and Trade Union consultation.	November 2018.
Implementation of the structure including ring fenced inteviews.	April 2019.
None	None
None	None

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	14-Nov-2018	14-Feb-2019
Trade Union	14-Nov-2018	14-Feb-2019
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The staffing review in the Constitutional Services and the Civic and Political Support teams will deliver a budget reduction on an ongoing basis of £30k per annum for 2019/20 onwards.

Signed RO	18-Oct-2018

Signed Finance	13-Sep-2018

Cabinet Member Signature	
Name and Date	Cllr S Fielding 14-Jan-2019

Oldham Council

Reference :	CCS-BR1-240
Responsible Officer :	Samantha Smith
Cabinet Member :	Cllr A Jabbar
Support Officer :	Samantha Smith

BR1 - Section A

Service Area :	Corporate
Budget Reduction Title :	Fees and Charges additional income

Budget Reduction Proposal - Detail and Objectives :

Each year the Council undertakes an exercise to review Fees and Charges to the public.

The exercise generally increases charges by inflation to ensure costs are recovered and in some cases deliver a surplus. A detailed schedule of proposed fees and charges is presented for approval as an Appendix to the main budget report. It is anticipated that additional income of £0.020m can be generated, over and above that already included in service budgets (except where a service has an anticipated adverse income variance in which case the proposed increase will address the base budget position).

This proposal is cross-cutting over all Council Services that receive fees and charges income.

2018/19 Service Budget and Establishment	£000
Employees	18,258
Other Operational Expenses	13,060
Income	(20,907)
Total	10,411

Current Forecast (under) / overspend	940

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(20)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
N/A
Service Delivery
The budgets of services which make charges have been reviewed and increases to fees and charges have been applied where applicable.
Future expected outcomes
No reduction in service use is anticipated.
Organisation
The organisation will continue to operate as it currently does. Charges will be increased having regard to market intelligence.
Workforce
No change with this proposal.
Communities and Service Users
It is anticipated that there will be no reduction in service use and increases in charges will be commensurate with inflationary increases or (where appropriate) charges made by competitors.
Oldham Cares
No impact expected.
Other Partner Organisations
No impact expected.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
An increase in revenue income to support the Council's 2019/20 budget.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Reduction in income arising from reduced service use.	Revisions to fees and charges have regard to market intelligence and are likely to be individually small changes.
Reduction in business demand arising from an increase in fees and charges.	An ongoing review of income will be undertaken on a service by service basis and fees and charges can be amended in year if required.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Initial review of fees and charges and market data (finance and services).	Late Summer / Autumn 2018.
Finalisation of fees and charges prior to consultation with services.	Early October 2018.
General consultation on revised fees and charges with services.	October to December 2018.
Approval (27 February 2019) followed by implementation of revised fees and charges.	Implementation: April 2019 for most but education/ schools related charges applied from September 2019 (start of the 2019/20 academic year).

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	01-Oct-2018	21-Dec-2018

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
It is currently anticipated that this proposal can be delivered by an increase to the Council's fees and charges.

Signed RO	15-Oct-2018
Signed Finance	06-Dec-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

Oldham Council

Reference :	CCS-BR1-249
Responsible Officer :	Anne Ryans
Cabinet Member :	Cllr A Jabbar
Support Officer :	Neil Stott

BR1 - Section A

Service Area :	Corporate
Budget Reduction Title :	Supplies and Services

Budget Reduction Proposal - Detail and Objectives :

It is proposed to apply a cross cutting budget reduction to general supplies and service mainstream controllable budgets at a total of £1.000m with an aim to improve the efficiency of service delivery.

The mainstream controllable budgets for supplies and services for the Council in total are circa £50.000m and this budget reduction therefore reflects a 2% reduction in spending power.

It is proposed that each Service within the Council will have its budget reduced as per the 2% allocation and it will be the responsibility of the budget manager to ensure the saving is delivered having regard to the overall service budget for 2019/20.

2018/19 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	50,000
Income	(0)
Total	50,000

Current Forecast (under) / overspend	50,000

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(1,000)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
There is no anticipated impact on property.
Service Delivery
Services will receive a 2% cut to their spending power however through efficient working the impact on service delivery should be minimal.
Future expected outcomes
Services will receive a 2% cut to their spending power however through efficient working the impact on future expected outcomes should be minimal.
Organisation
Services will receive a 2% cut to their spending power however through efficient working the impact on the organisation should be minimal.
Workforce
There is no anticipated impact on the workforce.
Communities and Service Users
There is no anticipated impact on communities and service users.
Oldham Cares
There is no anticipated impact on Oldham Cares.
Other Partner Organisations
There is no anticipated impact on other partner organisations.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
A £1.000m contribution to the achievement of the 2019/20 budget reduction target delivered through more efficient working and improved procurement practices.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Service budgets will overspend in 2019/20 due to non-achievement of required reduction in spending power.	Service and Budget managers to take action to control spending which will be reviewed through the monthly monitoring of budgets.
Service delivery will suffer due to the reduction in spending power.	It is anticipated that the reduction will be achieved through more efficient service delivery as opposed to cuts in services.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Service budget reductions are calculated and high level allocations communicated to service managers.	November - December 2018
Service managers to advise of the application of the reduction to individual budgets ensuring fair, realistic and achievable apportionment.	January - February 2019
Budget reductions are applied to individual service budgets prior to the commencement of the 2019/20 financial year.	March 2019
Monthly budget monitoring to ensure the delivery of the saving.	April 2019 - March 2020

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The saving will be achieved through a 2% reduction in service budget allocations. Spend will be closely reviewed as part of the ongoing budget monitoring process during 2019/20.

Signed RO	26-Oct-2018

Signed Finance	26-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

Oldham Council

Reference :	CCS-BR1-250
Responsible Officer :	Anne Ryans
Cabinet Member :	Cllr A Jabbar
Support Officer :	Neil Stott

BR1 - Section A

Service Area :	Corporate
Budget Reduction Title :	Introduction of vacancy factor

Budget Reduction Proposal - Detail and Objectives :

The Council currently prepares its budget estimates on the approved FTE establishment of each service and cost centre. The proposal is to apply a vacancy factor at a rate of 1.5% to mainstream employee budgets. Some posts will become vacant during 2019/20 due to staff turnover and it is a legitimate and reasonable action to create a budget reduction proposal to take advantage of this movement in staffing and the consequent impact of the recruitment process. The Council has a detailed recruitment review process. This should ensure the timing of the recruitment to posts is managed appropriately.

Based on the estimated staffing budget requirements for 2019/20 this will generate a saving of approximately £0.800m.

It should be noted that this is not a reduction in staffing FTE across the organisation but a change in the costing methodology for staffing budgets. Directorates will be expected to manage any recruitment to permanent or temporary posts whilst remaining aware of their vacancy management targets.

2018/19 Service Budget and Establishment	£000
Employees	54,000
Other Operational Expenses	0
Income	(0)
Total	54,000

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(800)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
There is no anticipated impact on property.
Service Delivery
There is no anticipated impact on service delivery, service staffing budgets will be managed within available resources.
Future expected outcomes
There is no anticipated impact on future expected outcomes.
Organisation
There is no anticipated impact on the organisation, service staffing budgets will be managed within available resources.
Workforce
There is no anticipated impact on the workforce.
Communities and Service Users
There is no anticipated impact on communities and service users.
Oldham Cares
There is no anticipated impact on Oldham Cares apart from Council staffing budgets within Adult Social Care carrying and managing the vacancy factor.
Other Partner Organisations
There is no anticipated impact on partner organisations.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
A £0.800m contribution to the achievement of the 2019/20 budget reduction target.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Service budgets will overspend in 2019/20 due to non-achievement of the vacancy management target.	There is an expectation that a percentage of posts will be vacant in year through natural turnover of staff, and services through to directorates will manage recruitment and cover arrangements accordingly.
Individual budget areas with low staff turnover will fail to meet the vacancy target.	Information on the achievement of vacancy management targets will be made available at service and directorate level to allow a wider analysis of progress against targets and allow offsets between over and under achieving service / directorate areas.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Vacancy management targets are calculated and allocations communicated to service and budget managers.	November - December 2018
Vacancy management targets are reviewed in line with any organisational change prior to the commencement of the 2019/20 financial year	November 2018 - February 2019
Vacancy management targets are applied to individual budgets prior to the commencement of the 2019/20 financial year.	March 2019
Production of vacancy management information is built into financial monitoring procedures.	March 2019

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
This change in the costing methodology for staffing budgets will generate a saving of £0.800m. Vacancy management targets and their achievement will be closely monitored as part of the budget monitoring process.

Signed RO	26-Oct-2018

Signed Finance	26-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

Oldham Council

Reference :	CCS-BR1-251
Responsible Officer :	Ray Ward
Cabinet Member :	Cllr A Jabbar
Support Officer :	Anne Ryans

BR1 - Section A

Service Area :	Corporate
Budget Reduction Title :	Development of the Unity Partnership operating model Phase 2

Budget Reduction Proposal - Detail and Objectives :

Following the successful delivery of budget reductions arising from the Council taking a 100% share ownership in the Unity Partnership, it is now deemed that further reductions of £0.250m are achievable as part of the continued reshaping of the Unity operating model.

It is anticipated that the identification and delivery of these reductions will allow their implementation for the start of 2019/20. Whilst some initial investment maybe required, it is expected that a net saving of £0.250m can be delivered in 2019/20 and future years from efficiencies and a more effective operating arrangement.

2018/19 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	11,446
Income	(0)
Total	11,446

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(250)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
It is anticipated that property will be managed more effectively from 2019/20.
Service Delivery
Service delivery across all areas will be improved through enhanced contract management arrangements.
Future expected outcomes
Cost savings and more effective service delivery.
Organisation
There will be some revisions to service delivery within Unity.
Workforce
There is a potential for some changes to roles and responsibilities in delivering service improvements.
Communities and Service Users
There should be no specific impact on communities and service users should see improvements in performance.
Oldham Cares
There should be no impact on Oldham Cares.
Other Partner Organisations
There should be no impact on other partner organisations.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Service users (internal and external) should see improvements in performance.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Full detailed proposals are not completed before 2019/20.	A timeline of key milestones have been agreed and will have regard to the on-going embedding of new working arrangements since the Unity Partnership became a wholly owned Council company in July 2018.
Performance is not improved.	An action plan is being developed for each service area to ensure performance is improved.
Savings are not achieved.	An action plan is being developed for each service area to ensure performance is improved and savings are delivered, having regard to the on-going embedding of new working arrangements since July 2018.

Key Development and Delivery Milestones:

Milestone	Timeline
Detailed proposals are developed with key milestones for achievement.	November 2018 - February 2019.
Implementation of proposals.	From March 2019.
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
It is anticipated that there may be some initial investment to revise the Unity delivery model however Phase 2 proposals are expected to deliver a net annual saving of £0.250m per annum.

Signed RO	26-Oct-2018
Signed Finance	26-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

Oldham Council

Reference :	CCS-BR1-228
Responsible Officer :	Joe Davies
Cabinet Member :	Cllr A Jabbar
Support Officer :	Karen Ollerenshaw

BR1 - Section A

Service Area :	Corporate and Commercial Services Management
Budget Reduction Title :	Council Traded Services/Unity Commercial Services Reviews

Budget Reduction Proposal - Detail and Objectives :

The proposal is in two parts: 1) Review the Council's commercial activity 2) Review Unity Partnership non-Council commercial activity following the share purchase transfer. The reviews aim to:

- Redesign the operating model to bring about a commercial focus ensuring services provide value for money
- Identify the market strategy in order to cluster commercial offerings for specific markets, e.g. schools.
- Review capabilities and capacity required to enable the model to function effectively
- Determine exit strategies from activity when required

The proposal will look to review the two activities on a phased basis over the next 2 years and implement actions identified in line with the drivers highlighted above.

The review will require some investment funded from the transformation reserve in order to resource the programme.

The specific information on budget and establishment numbers for each of the services will be collated and provided as each review commences.

2018/19 Service Budget and Establishment	£000
Employees	9,828
Other Operational Expenses	4,908
Income	(14,689)
Total	47

Current Forecast (under) / overspend	879

Number of posts (Full time equivalent)	408.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(750)	(750)	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None anticipated, any potential implications resulting from agreed service actions will be subject to a separate report.
Service Delivery
It is envisaged that service delivery will stay the same or improve as a result of changes.
Future expected outcomes
Incremental improvement in the performance of traded services.
Organisation
It is likely that there will be some changes in how certain traded services are delivered as part of the review. However, the intent is that they stay within the Council/Unity family.
Workforce
It is likely that there will be some workforce changes as part of the review which will be required to realise benefits.
Communities and Service Users
No impact is expected or planned.
Oldham Cares
No impact is expected or planned.
Other Partner Organisations
No impact is expected or planned.

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	Yes
Local business community	Yes
Schools	Yes
Trade Unions	Yes
External Partners (if yes please specify below)	Yes
Unity Partnership Limited	
Other Council Departments (if yes please specify below)	Yes
People and Place incl Children's Services, Strat Reform & Public Health.	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements
• Commercial activities will be financially sustainable i.e. reduction/elimination of deficit or subsidy • The Council's commercial risk profile is visible and well managed • The Council's commercial capability is developing and maturing

Section C

Key Risks and Mitigations:

Risk	Mitigation
Skills and capacity within the Council to carry out the review that will be required to realise the benefits.	• Assess skills and capacity • Draw in expertise as identified • Fund dedicated resource required to ensure deliverability of benefits
Unforeseen increase in liabilities within traded services.	Establish position of key traded services at the earliest opportunity and prioritising based on a risk approach.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Identify market strategy for the commercial offerings.	May 2019
Review of loss making services.	September 2019
Determine new models of delivery as necessary.	December 2019/January 2020
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	Yes

Section E

Finance Comments
The Council and Unity Partnership provides a range of services which generate external income on either a fully or partly traded basis. The review will explore these services with a focus on market strategy and commercial viability in order to deliver the budget reduction. The review may conclude a requirement for service exit strategies and the financial impact will be quantified on a case by case basis during the course of the review.

Signed RO	21-Nov-2018

Signed Finance	31-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

Reference:	**CCS-BR1-228**
Responsible Officer	**Joe Davies**
Cabinet Member:	**Cllr A Jabbar**
Support Officer	**Karen Ollerenshaw**

Equality Impact Assessment Tool

Service Area:	**Corporate and Commercial Services Management**
Budget Reduction Title:	**Council Traded Services/Unity Commercial Services Review**

Stage 1: Initial Assessment

1a	**Which service does this project, policy or proposal relate to?**
	Various across all Directorates
1b	**What is the project, policy or proposal?**
	1. To review the Council's traded services activity, ensuring the approach is strategic and effective. 2. To review Unity Partnership's non Council commercial activity following the share purchase transfer. Council traded services include: • Cleaning Services Home Help - The Cleaning Service helps elderly or vulnerable people remain independent by providing support with daily household tasks. • School Crossing Patrols - Schools can request a School Crossing Patrol Officer to undertake the duties of crossing children/adults, during the morning start of school and the afternoon leaving from school. • Cleaning Services Building - The service provides a caretaking and cleaning service to schools across the borough. • Catering - Providing school meals to primary schools across the borough. • Music Service - The Oldham Music Service delivers instrumental and vocal tuition at Key Stage 2, 3, 4 and 5. • Outdoor Education - Local schools can purchase a package of services including adventure activities or environmental education, training, advice & support for educational visits, along with preferential rates for residential accommodation. • Governor Support and Training - The service supports governing bodies to make strategic and operational improvements in relation to school governance. • Sports Development - The youth work team can provide a range of programmes through which young people can gain a recognised AQA accreditation. Accreditation programmes can range from training, issue based learning workshops or personal interest courses. • Schools Swimming Services - Schools benefit from a co-ordinated package which includes tuition/lifeguarding, pool hire, transport (where applicable) and supply cover.

	• ICT Client – Providing ICT and HR support to schools.
1c	**What are the main aims of the project, policy or proposal?**
	• Redesign the operating model of traded services to bring about a commercial focus, ensuring services provide value for money. • Identify the market strategy in order to coordinate and cluster commercial offerings for specific markets. • Review the capabilities and capacity required to enable the model to function effectively. • Determine new models of delivery as necessary. **The following techniques will be used to ensure the budget savings:** • Process redesign • Refreshing technology to make processes more efficient • Staffing structure review, ensuring traded services are appropriately supported • Pricing review, including benchmarking against other local authorities • Cost base review • Supplier and purchaser contract reviews, ensuring we are getting value for money from our contacts • Activity Based Costing review • Understanding statutory and non-statutory services • Ceasing services if appropriate
1d	**Who, potentially, could this project, policy or proposal either benefit or have a detrimental effect on, and how?**
	• It is not anticipated that the application of the above techniques (selectively, dependent on service) will result in any negative equality impacts. • It is envisaged service delivery will stay the same or improve as a result of changes. • The review will likely lead to incremental improvement in the performance of traded services. • It is likely there will be some changes in how certain traded services are delivered as part of the review. There may be some externalisation required of certain traded activities in order to realise benefits. • It is likely that there will be some workforce changes as part of the review which will be required to realise benefits.

1e	Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups?				
		None	**Positive**	**Negative**	**Not sure**
	Disabled people	☒	☐	☐	☐
	Particular ethnic groups	☒	☐	☐	☐
	Men or women (includes impacts due to pregnancy / maternity)	☒	☐	☐	☐
	People of particular sexual orientation/s	☒	☐	☐	☐
	People in a Marriage or Civil Partnership	☒	☐	☐	☐
	People who are proposing to undergo, are undergoing, or have undergone a process or part of a process of gender reassignment	☒	☐	☐	☐
	People on low incomes	☒	☐	☐	☐
	People in particular age groups	☒	☐	☐	☐
	Groups with particular faiths or beliefs	☒	☐	☐	☐
	Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
	None	☐	☐	☐	☐
		☐	☐	☐	☐

1f	What do you think the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
		☒	☐

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 ☐
		No ☒

1h	How have you come to this decision?
	Change is typically achieved through process redesign, technology transformation, pricing adjustments and improved procurement. Very little impact on individuals is anticipated. Depending on the proposals it is not possible to identify the potential impact, this will be assessed with individual areas as the review progresses. When outlining the proposal in the BR1 form it was identified that there was a potential negative impact on *people on low incomes*. However, during the Stage 1 EIA process it has become clear that there is no negative impact identified that will disproportionately impact on any groups at this stage of the review, so it is not necessary to complete a full EIA.

Stage 5: Signature

Role	Name	Date
Lead Officer	Joe Davies	11 December 2018
Approver Signatures		

EIA Review Date:	December 2019

Oldham Council

Reference :	CCS-BR1-253
Responsible Officer :	Ray Ward
Cabinet Member :	Cllr A Jabbar
Support Officer :	Ray Ward

BR1 - Section A

Service Area :	Corporate and Commercial Services Management
Budget Reduction Title :	Corporate & Commercial Services

Budget Reduction Proposal - Detail and Objectives :

All staffing and non-staffing budgets in the Corporate and Commercial Services Directorate are reviewed on an on-going basis so that efficiencies can be identified. As a consequence a budget saving of £0.200m should be delivered from activities that will improve the Directorate's overall efficiency and effectiveness. This will supplement the savings already identified within Finance (£0.200m).

Work is already progressing within People Services where a proportion of this saving will be made by implementing a revised People Services operating model and redesigning some posts to support new methodologies of working. Non value adding activity will be identified and eliminated. There will be some opportunities to identify process improvements.

This approach will be similarly undertaken across areas of the Corporate & Commercial Services Directorate.

2018/19 Service Budget and Establishment	£000
Employees	12,233
Other Operational Expenses	15,569
Income	(8,752)
Total	19,050

Current Forecast (under) / overspend	(501)

Number of posts (Full time equivalent)	258.50

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(200)	0	0
Proposed Staffing Reductions (FTE)	(5.00)	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None anticipated.
Service Delivery
Included within additional information.
Future expected outcomes
It is expected that the new approaches will enhance the ability to deliver future outcomes.
Organisation
Services within the business will be guided to utilise corporate functions appropriately to avoid any unnecessary pull on the limited resources.
Workforce
No negative outcomes anticipated. New policies and processes will be implemented which seek to enhance efficiency and reduce potential for failure/non-compliance.
Communities and Service Users
As above, service users will be guided to access corporate services appropriately.
Oldham Cares
None.
Other Partner Organisations
None.

Who are the key stakeholders?

Staff	Yes
Elected Members	No
Residents	No
Local business community	No
Schools	No
Trade Unions	Yes
External Partners (if yes please specify below)	Yes
The Unity Partnership	
Other Council Departments (if yes please specify below)	No
N/A	
Other (if yes please specify below)	No
N/A	

Benefits to the organisation/staff/customers including performance improvements
Cost reduction will be secured. A focused, proactive service will be provided.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Organisational Stakeholders are not sighted on operating model and have differing expectations/understanding of service delivery.	Early consultation with Executive/Directorate.
For the operating model to be successful then it is necessary to ensure, as appropriate, the services provided by Unity are aligned to the delivery model.	The Council is now able to effectively influence the service provision of our Unity colleagues.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Undertake further work to identify how services can make the required efficiencies and determine the resultant service model drawing up consultation documentation as necessary.	November 2018.
Consultation with Individuals/ TU's as appropriate.	Late 2018 / early 2019.
Implementation of new service structures completed.	By April 2019.
N/A	N/A

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	14-Nov-2018	14-Feb-2019
Trade Union	14-Nov-2018	14-Feb-2019
Public	not applicable	not applicable
Service User	07-Nov-2018	25-Jan-2019
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The Finance team assists in reviews of the Directorate's budget. Based on the Directorate underspending in 2018/19, there would appear to be scope for the achievement of a £0.200m saving in addition to other savings from the Directorate.

Signed RO	30-Oct-2018

Signed Finance	30-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

Additional Information (if required)
Service Delivery There will be a focus on continuing proactive service delivery within the directorate aligned to business requirements. Any non-value adding activity will be eliminated. We will continue to promote self-serve avoiding any unnecessary call upon resources and ensure that activities are carried out at the right level when supporting the business. As appropriate, new processes will be implemented which seek to enhance efficiency whilst reducing potential for failure/non-compliance with statutory business requirements.

Oldham Council

Reference :	CCS-BR1-227
Responsible Officer :	Ray Ward
Cabinet Member :	Cllr A Jabbar
Support Officer :	Nicola Strapps

BR1 - Section A

Service Area :	Customer Services
Budget Reduction Title :	Digital by Design

Budget Reduction Proposal - Detail and Objectives :

The Resident First programme has allowed several service areas to be accessed by residents via the internet with varying degrees of service redesign. The initial emphasis and investment has been on making services more accessible online.

The continuation of this digital by design platform will allow more services to be directly accessed online and it is proposed to look at what financial benefits can be achieved going forward and also by revisiting past project areas.

This proposal aims to:
- Redesign the operating model to enable a transformation from a mainly mediated customer service offer to a predominately self-service one
- Develop a resilient mediated offer that aims to ensure support those that need it
- Identify how best to utilise the redesigned web site as both a door to transactional self-service offers and also a valuable communication and information channel
- Identify where automation can make residents access to services easy and efficient

(Please see additional information)

2018/19 Service Budget and Establishment	*The proposal will cover a range of cross cutting budgets that are yet to be identified	£000
Employees		0
Other Operational Expenses		0
Income		(0)
Total		0

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(500)	(1,500)	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None anticipated, any potential implications resulting from agreed service actions will be subject to a separate report.
Service Delivery
It is envisaged that service delivery will stay the same or improve as a result of changes.
Future expected outcomes
The proposal will contribute to the achievement of the 2019/20 budget reduction target.
Organisation
No impact is expected or planned.
Workforce
It is likely that there will be some workforce changes as part of the review which will be required to realise benefits.
Communities and Service Users
No impact is expected or planned.
Oldham Cares
No impact is expected or planned.
Other Partner Organisations
It is likely that there will be some workforce changes as part of the review which will be required to realise benefits.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
• Better customer experience and improved resident satisfaction • Reduced transactional costs • Improved self-help and self-serve • Improved accessibility of services • Improved staff/job satisfaction

Section C

Key Risks and Mitigations:

Risk	Mitigation
There is insufficient investment in skills and capacity within the Council to carry out the review that will be required to realise the benefits.	Assess current skills and capacity and identify the resource gap. Secure expertise as identified. Fund dedicated resource required to ensure benefits realisation.
Reluctance to streamline certain services.	Early engagement with trade unions, workforce and Elected Members to inform the methods of improvement.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Transformation Roadmap agreed (aligned to related organisational strategies) e.g. assets – property, people, data	March 2019.
Services / thematic areas identified for change and associated benefits realisation plan for 2019/20/21.	March 2019.
Digital/Data Strategy agreed.	March 2019.
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	Yes

Section E

Finance Comments
The digital by design proposal will review the service areas that have already been through the Resident First improvement programme to realise financial benefits. Additionally, further areas of service improvements to the digital offer are being drawn up as part of the continuation of the Resident First programme incorporating the redesign of Access Oldham and Contact Centre. Any financial benefits identified will contribute to the budget reduction proposal.

Signed RO	10-Oct-2018
Signed Finance	31-Aug-2018

Cabinet Member Signature		
Name and Date	Cllr A Jabbar	14-Jan-2019

Additional Information (if required)

Detail and Objectives (Continued)

By using Residents First as the vehicle for Digital by Design we should aim within 2 years to remove £2.000m of costs by:

- Reducing mediated service costs across the whole organisation by 50%
- Digitalising the lines of service that make up 80% of the requests from residents for service, including deep service design to enable lean automated processes, thus reducing service costs by 20%

In order to achieve the savings and the improvements to customer service our residents demand, all Council Services will potentially be affected by this change programme. In order to prioritise the services and journeys to digitise/automate and improve, a criteria has been developed which considers the following areas;

- Ability to reduce demand
- Ability to achieve efficiency savings
- Ability to improve the customer experience
- Ease of delivery
- Service readiness and appetite

An initial assessment against the criteria has identified the following services / resident journeys for prioritisation as follows;

- Waste Services
- Environmental Health and Enforcement
- Environmental Management and Street Cleaning
- Highways
- Licensing
- Revenues and Benefits
- Planning

As the programme progresses and services are engaged the benefit profile will be reviewed.

Reference:	CCS-BR1-227
Responsible Officer	Ray Ward
Cabinet Member:	Cllr Abdul Jabbar
Support Officer	Nicola Strapps / Fran Lautman

Equality Impact Assessment Tool

Service Area:	Customer Services, Corporate and Commercial Services
Budget Reduction Title:	Digital by Design

Stage 1: Initial Assessment

1a	**Which service does this project, policy or proposal relate to?**
	This proposal relates to a Council wide digital change programme and could affect all services / Directorates
1b	**What is the project, policy or proposal?**
	The Programme's aim is to make access to services easy and efficient by enabling residents to self-serve. This will enable the Council to save money (budget reduction target of £2milllion by 2021/22 - £0.5m in 19/20 and £1.5m in 20/21). The programme will re-design the resident journey in services where there is a high volume of simple interactions such as booking appointments, paying for services, reporting problems and advice on eligibility.
1c	**What are the main aims of the project, policy or proposal?**
	The main aim of the programme is to deliver a better customer experience (for the most relevant interactions/contacts) for our residents, by making it easier for residents to contact the council by self-serve online, removing the need for residents to call or visit the Council. A key aim of the programme is also to ensure that where residents need support there is adequate support at face to face locations/phone to go online and /or facilitate the appropriate support to ensure residents are not digitally excluded. Success will depend partly on the ability of customers to use the digital tools that the council may offer, such as online forms, voice recognition software or geolocation/GPS. It is also expected that the council will increasingly promote digital access as the preferred means of engaging with services, due to the typically lower cost and faster response of digital options. While the council would expect most people to find digital access to services quicker, easier and cheaper than other methods, it is possible that some will find digital services harder to use. The council will therefore need to mitigate this by continuing to provide alternative means of access where demand dictates this. This impact is most likely to be felt by older people, who may not have high levels of digital skills; those with disabilities that inhibit use of digital devices such as smartphones; and those on low incomes, who may not own or have access to digital devices. The impact will need to be continually assessed in the light of service and customer information arising from specific projects. For some resident interactions channels may be removed e.g. telephones for the reporting of new issues. A risk assessment however will be undertaken before any decisions are made which will be informed by demographic need and demand.
1d	**Who, potentially, could this project, policy or proposal either benefit or have a detrimental effect on, and how?**

Positive impacts

This programme should have a positive impact on Council service satisfaction as we make it easier for all residents to access and deal with the Council, fulfilling more simple and straightforward requests online. There will be efficiency and productivity gains from using enabling technology – less data handling, less data duplication and quicker processing of requests.

Digital services are by their nature equally available to everyone who has access to the internet. In addition to the substantial majority of customers who own internet-enabled devices, the council provides free internet access at a number of libraries. The cost of digital access to council services will vary, but in most cases it is likely to be cheaper to use a digital option than to make a phone call to the council or visit a council office.

For many customers it will carry no cost at all. Digital access will mean that customers are able to engage with the council and its services at a time and place that suits them, rather than the council. This could, for example, avoid the need for someone with mobility difficulties to have to make a visit to a council office in person. Digital access allows fast or 'real time' responses to customers' enquiries, meaning that customers have to spend less time on their dealings with the council and get the information they need much sooner than they would otherwise have done.

Digital systems allow enormously expanded access to council information, thereby increasing transparency and democratic accountability. Digital technology such as social media also allows safety- or emergency-related information such as flood alerts or weather warnings to be disseminated within minutes. Online forms can currently involve completing or sending information to the council online through a website, including typing, reading and processing complex information. As the Digital Strategy is taken forward the need for this will reduce as the council offers services through voice-enabled applications, like Siri, Ask Google, Amazon Alexa or other 'bots'. This will offer increased accessibility and ease of use compared to current digital services. Staff, Members and organisations that deal with the council are likely to benefit from digital systems that enable greater productivity and integrate with each other, not just internally but with partner systems.

Negative impacts
The programme will have a detrimental effect on staff numbers by reducing overall staff numbers.

The programme, potentially could have an effect on residents not being able to access the Council, specifically residents who;

- do not have the digital skills to embrace technology
- do not have a mobile device / laptop or access to technology due to affordability
- have a disability where technology could be a barrier as opposed to an enabler (e.g. visually impaired, mobility problems)
- have language difficulties and those where English is not their first language. These residents may struggle more to understand the information online and translation services may not be available and / or have the desired effect

The impact will need to be continually assessed in the light of service and customer information arising from specific projects.

1e **Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups?**

	None	Positive	Negative	Not sure

	Disabled people	☐	☐	☒	☐
	Particular ethnic groups	☐	☐	☒	☐
	Men or women (includes impacts due to pregnancy / maternity)	☒	☐	☐	☐
	People of particular sexual orientation/s	☒	☐	☐	☐
	People in a Marriage or Civil Partnership	☒	☐	☐	☐
	People who are proposing to undergo, are undergoing, or have undergone a process or part of a process of gender reassignment	☒	☐	☐	☐
	People on low incomes	☐	☐	☒	☐
	People in particular age groups	☐	☐	☒	☐
	Groups with particular faiths or beliefs	☒	☐	☐	☐
	Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
	None	☐	☐	☐	☐
		☐	☐	☐	☐

1f	**What do you think the overall NEGATIVE impact on groups and communities will be?**	**None / Minimal**	**Significant**
		☒	☐

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** ☒
		No ☐
1h	**How have you come to this decision?**	

Stage 2: What do you know?

What do you know already?
A high volume of contact received at Access Oldham and at the Contact Centre could be fulfilled with better online provision and use of technology and automation to improve their experience. A high percentage of contact at the Contact Centre is failure demand - calling to request / report something, check where their report is up to and / or asking for information that can be found online. 75% of people that took part in a customer satisfaction survey at the contact centre said that it was easier to call than go online. We need to change this and make it easier to go online. Mobile technology and infrastructure is no longer as significant a barrier as in the past. Recent statistics show that in Oldham; • Superfast broadband is now available in 99.1% of areas • 88.2% of residents have access to a pc or laptop • 73% of people own a smartphone and • 27% of people go online every day, which is higher than the National average of 25%

We also know in what areas of the borough people are least engaged with the internet and have a low preference for access to the internet via smartphones. We also know that in some areas there is a correlation of older residents and low mobile usage. This data will help us to target assisted digital support.

Data that is readily available from the Council's Annual Equality Data report 2018 will inform how we design services and their access channels. Information available in the equality data report in relation to the ethnicity and age profile of Oldham residents and information about services users will also inform any changes we make. In relation to the resident age profile and ethnicity of the borough, the following information is helpful;

Age profile

- Oldham has a high proportion (22.6%) of residents aged under 16 and proportionally fewer (15.8%) aged 65 and over. Oldham's age structure is younger than the England and Wales average. There are higher-than-average levels of children – especially younger children – and lower-than-average numbers of over 75s. This is mainly due to the large South Asian communities, who have a younger age profile than the white population.
- While most age groups increase in size, there are projected to be particularly large increases in the numbers of older people, especially in the 75+ age group, up 40% from 2011 by 2026.

Ethnic Groups

- Oldham has become more diverse in terms of ethnic composition. There has been further growth in the Pakistani and Bangladeshi communities, as well as some growth in the white 'other' category – a group primarily made up of Polish and Romanian heritage communities. The overall structure of the population has shifted downwards given the growth in Oldham's Pakistani and Bangladeshi communities which have much more youthful age profiles. The White population of Oldham is projected to continue to fall in size, Pakistani and Bangladeshi populations are projected to grow significantly.

What don't you know?

Demand data by service and area is poor, which means it is difficult to accurately offer local support to residents who might struggle to get online or use a digital channel to meet a need.

Further Data Collection

Summary (to be completed following analysis of the evidence above)

1e	**Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups?**				
		None	**Positive**	**Negative**	**Not sure**
	Disabled people	☐	☒	☒	☐
	Particular ethnic groups	☐	☒	☒	☐
	Men or women	☒	☐	☐	☐

	(includes impacts due to pregnancy / maternity)				
	People of particular sexual orientation/s	☒	☐	☐	☐
	People in a Marriage or Civil Partnership	☒	☐	☐	☐
	People who are proposing to undergo, are undergoing, or have undergone a process or part of a process of gender reassignment	☒	☐	☐	☐
	People on low incomes	☐	☒	☒	☐
	People in particular age groups	☐	☒	☒	☐
	Groups with particular faiths or beliefs	☒	☐	☐	☐
	Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
		☐	☐	☐	☐
		☐	☐	☐	☐

Stage 3: What do we think the potential impact might be?

3a	**Who have you consulted with?**
	In terms mitigating any negative impacts that could arise following digital service improvement (see section 1d) we have to date carried out the following user engagement / consultation; We have held resident drop ins at libraries, Hack Oldham and Access Oldham. We have involved members and staff in user acceptance testing. We have paid specific attention to accessibility features including online language translation tools to ensure that the online process is easy, effective and inclusive from a design perspective. We have also held digital drop ins in residential homes to identify what support elderly residents may need in accessing services online. For residents who require mediated support we have offered support on the telephone and at face to face locations (e.g. the do it online team at Access Oldham). To mitigate any negative impacts referred to in section 1d we will look to liaise with libraries staff and any other face to face settings to understand how staff can support residents to access services digitally and have the skills and access to knowledge to do this. With reference to those residents who may have language barriers we will consult with district teams in the first instance where we know from data that this could be a barrier.
3b	**How did you consult? (include meeting dates, activity undertaken & groups consulted)**
	See 3a
3c	**What do you know?**
	See stage 2

3d	**What don't you know?**	
	The specific demographic of service users to know whether any groups will particularly struggle and take up may be negatively affected. It's not a requirement of the majority of journeys residents have with the Council for us to know what groups they identify with E.g. reporting a pothole.	
3e	**What might the potential impact on individuals or groups be?**	
	Generic (impact across all groups)	Reduced/increased service take up and poor/better accessibility
	Disabled people	Reduced/increased service take up and poor/better accessibility
	Particular ethnic groups	Reduced/increased service take up and poor/better accessibility
	Men or women *(include impacts due to pregnancy / maternity)*	None
	People of particular sexual orientation/s	None
	People in a Marriage or Civic Partnership	None
	People who are proposing to undergo, are undergoing, or have undergone a process or part of a process of gender reassignment	None
	People on low incomes	Reduced/increased service take up and poor/better accessibility
	People in particular age groups	Reduced/increased service take up and poor/better accessibility
	Groups with particular faiths and beliefs	None
	Other excluded individuals *(e.g. vulnerable residents, individuals at risk of loneliness, carers or service and ex-serving members of the armed forces)*	

Stage 4: Reducing / Mitigating the Impact

4a	**What can be done to reduce or mitigate the impact of the areas you have identified?**	
	Impact 1	**Proposal**
	Reduced service take up and poor accessibility	Ensure representatives are engaged and involved in the design and testing of changes Continue to offer a mediated support channel where support is required (telephony or face to face) Work with related face to face service staff to ensure they have the skills and access to knowledge to support residents.
	Impact 2	**Proposal**
	N/a	N/a

	Impact 3	Proposal
	N/a	N/a

4b	**Have you done, or will you do anything differently, as a result of the EIA?**
	To ensure the changes made minimise any negative impact.
4c	**How will the impact of the project, policy or proposal and any changes made to reduce the impact be monitored?**
	To ensure the changes made minimise any negative impact projects will ensure as part of their methodology that a representative sample of its user base are consulted and engaged before and after any changes are implemented.

Conclusion *This section should record the overall impact, who will be impacted upon, and the steps being taken to reduce / mitigate the impact*
In conclusion, the overall impact we are expecting from the programme is positive and will aim to improve digital inclusion, rather than exclude. The people most likely to be impacted by the increased presence of digital services are; Particular ethnic groups - as language may be a barrier Disabled – people who may not have the skills to use technology People on low incomes – people who may not be able to afford / have access to technology People in older age group – people who may not have the digital skills Our approach to designing service changes (as highlighted above) will ensure that the above groups of people and in particular where it is known from demographic data that take up could be affected, will mitigate any negative impacts as far as possible.

Stage 5: Signature

Role	Name	Date
Lead Officer	Ray Ward	12 December 2018
Approver Signatures		

EIA Review Date: Dec 2019

Oldham Council

Reference :	CCS-BR1-220
Responsible Officer :	Mark Stenson
Cabinet Member :	Cllr A Jabbar
Support Officer :	Victoria Gallacher

BR1 - Section A

Service Area :	Finance
Budget Reduction Title :	Insurance Review

Budget Reduction Proposal - Detail and Objectives :

Following on from the £0.500m saving achieved in 2018/19, it is now possible to reduce the insurance budget by an additional £0.300m from 2019/20. This can be achieved through a reduction in claims paid using embedded and robust fraud / defence strategies, alongside potential further benefits from the tendering exercise.

The adequacy of the remaining insurance budget will be monitored throughout 2019/20 to allow an assessment to be made for 2020/21.

2018/19 Service Budget and Establishment	£000
Employees	134
Other Operational Expenses	4,169
Income	(72)
Total	4,231

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	2.60

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(300)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
Not applicable.
Service Delivery
No impact at this stage.
Future expected outcomes
Reduction to be monitored but should be achievable.
Organisation
No impact at this stage.
Workforce
No impact at this stage.
Communities and Service Users
No impact.
Oldham Cares
No impact.
Other Partner Organisations
No impact.

Who are the key stakeholders?

Staff	Yes
Elected Members	No
Residents	No
Local business community	No
Schools	No
Trade Unions	No
External Partners (if yes please specify below)	No
N/A	
Other Council Departments (if yes please specify below)	No
N/A	
Other (if yes please specify below)	Yes
Insurance provider and brokers.	

Benefits to the organisation/staff/customers including performance improvements
Benefits are that there will be a reduction in insurance premiums/costs to provide savings, thus reducing the requirement for reductions in other Council service areas. Staff continue to work efficiently to maintain and develop appropriate strategies to assist with the defence of insurance claims and hence manage resources effectively.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Insurers impose further premium increases during the period of insurance.	Re-tendering exercise will seek to drive down cost by competition.
Claims history could deteriorate.	Ongoing monitoring and review of cases on a monthly basis.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Review of insurance trends and claims to inform budget proposal.	Late summer 2018.
Further review of insurance position prior to final budget decision.	November 2018.
Reviewed position and confirmed that appropriate tender management and claims defence strategies will enable a £300k saving in 2019/20.	December 2018.
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The increase of the repudiation of insurance related claims coupled with changes to the Authority's structure due to the Government's austerity measures has led to the Council being able to benefit in reduced external premia.

Signed RO	21-Aug-2018

Signed Finance	21-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

Oldham Council

Reference :	CCS-BR1-221
Responsible Officer :	Anne Ryans
Cabinet Member :	Cllr A Jabbar
Support Officer :	Caroline Lee

BR1 - Section A

Service Area :	Finance
Budget Reduction Title :	Housing Benefit - Reduction in provision for loss of subsidy

Budget Reduction Proposal - Detail and Objectives :

The roll out of Universal Credit is leading to fewer claimants receiving Housing Benefit. The reduction in claimant numbers for Housing Benefit is lowering the incidence and value of Housing Benefit overpayments. This means that the Council can amend its budgetary provision for the loss of Housing Benefit subsidy associated with such overpayments.

2018/19 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	58,929
Income	(55,190)
Total	3,739

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(150)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
N/A
Service Delivery
N/A
Future expected outcomes
The migration of Housing Benefit claimants to Universal Credit is expected to reduce the incidence and value of Housing Benefit overpayments.
Organisation
N/A
Workforce
N/A
Communities and Service Users
N/A
Oldham Cares
N/A
Other Partner Organisations
N/A

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
A £0.150m contribution to the achievement of the 2019/20 budget reduction target without an impact on Housing Benefit claimants.

Section C

Key Risks and Mitigations:

Risk	Mitigation
That reductions in the number of Housing Benefit claimants do not lead to a reduction in the incidence of Housing Benefit overpayments. For example, due to unexpected delays in the migration of Housing Benefit clients to Universal Credit.	Regular monitoring will take place to ensure that Housing Benefit overpayments are reducing in line with expectations.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Commence review of Housing Benefit claimant numbers, forecast reductions and associated impact on overpayment levels of Housing Benefit subsidy grant.	Autumn 2018.
Completion of initial review.	December 2018.
Further review to confirm estimates.	January 2019.
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The rationale for a lower incidence of Housing Benefit overpayments, being associated with a reduction in numbers of Housing Benefit claimants is valid and reasonable. Reductions in overpayments should enable the Council to release resources currently set aside for associated losses of Housing Benefit subsidy.

Signed RO	21-Aug-2018

Signed Finance	21-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

Oldham Council

Reference :	CCS-BR1-222
Responsible Officer :	Anne Ryans
Cabinet Member :	Cllr A Jabbar
Support Officer :	Mark Stenson

BR1 - Section A

Service Area :	Finance
Budget Reduction Title :	Audit Fee Reduction

Budget Reduction Proposal - Detail and Objectives :

Since 2014 the appointment of the Council's External Auditor has been undertaken by Public Sector Audit Appointments (PSAA). A key feature of these arrangements has been the audit fee economies delivered via the national contractual arrangement.

Oldham Council opted into the next phase of the PSAA auditor appointment arrangements from 2018/19 which was a new process to let audit contracts from this financial year. PSAA carried out a robust procurement process applying various principles including ensuring auditor independence, accommodating joint/shared working arrangements and taking account of principal locations. The results of the procurement process indicate that the scale audit fees will be less than the budget currently provided for in 2019/20. This consolidates the fee reductions from previous years together with the reduction in fees associated with the audit of grant claims as grant funders now have greater reliance on internal audit assurance processes. This will allow a permanent adjustment to the budget. Oldham Council is therefore confident that this will translate to the delivery of a budget reduction of £0.050m which will be ongoing from 2019/20.

2018/19 Service Budget and Establishment	£000
Employees	579
Other Operational Expenses	240
Income	(159)
Total	660

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	14.10

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(50)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
No impact.
Service Delivery
No impact.
Future expected outcomes
No impact.
Organisation
No impact.
Workforce
No impact.
Communities and Service Users
No impact.
Oldham Cares
No impact.
Other Partner Organisations
No impact.

Who are the key stakeholders?

Staff	Yes
Elected Members	Yes
Residents	No
Local business community	No
Schools	No
Trade Unions	No
External Partners (if yes please specify below)	No
N/A	
Other Council Departments (if yes please specify below)	No
N/A	
Other (if yes please specify below)	Yes
External Auditor (Mazars) & PSAA	

Benefits to the organisation/staff/customers including performance improvements
The procurement process carried out by PSAA ensures that a high level of performance is maintained whilst benefiting the Council through a reduced fee.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Unsuitability of auditor appointed.	PSAA's robust procurement process. Track record of Mazars in public sector audit.
Increase to the audit scale fee.	Contractual arrangements negotiated by the PSAA's robust procurement process.
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Confirmation of audit fee.	August 2018.
N/A	N/A
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
Providing the contract management process is effective a permanent reduction to the budget can be generated.

Signed RO	21-Aug-2018

Signed Finance	21-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

Oldham Council

Reference :	CCS-BR1-223
Responsible Officer :	Anne Ryans
Cabinet Member :	Cllr A Jabbar
Support Officer :	Andrew Moran

BR1 - Section A

Service Area :	Finance
Budget Reduction Title :	Treasury Management

Budget Reduction Proposal - Detail and Objectives :

A full review of Treasury Management income and expenditure budgets has been undertaken to examine the assumptions and forecasts underpinning investment interest and external income. It is anticipated that previously unbudgeted income of at least £2.000m can be generated in 2019/20.

2018/19 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	14,005
Income	(5,400)
Total	8,605

Current Forecast (under) / overspend	(4,667)

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(2,000)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
There will be no impact on property from this proposal.
Service Delivery
There will be no impact on service delivery from this proposal.
Future expected outcomes
The proposal will contribute to the achievement of the 2019/20 budget reduction target.
Organisation
There will be no impact on the organisation from this proposal.
Workforce
There will be no impact on the workforce from this proposal.
Communities and Service Users
There will be no impact on communities and service users from this proposal.
Oldham Cares
There will be no impact on Oldham Cares from this proposal.
Other Partner Organisations
There will be no impact on partner organisations from this proposal.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
A £2.000m contribution to the achievement of the 2019/20 budget reduction target.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Treasury Management Investments carry a level of risk in relation to security of capital, liquidity and level of return.	The Council's Treasury Management Policy sets out how the Council will manage and mitigate these risks.
External factors such as the ongoing Brexit process may affect future interest rate levels and economic activity with adverse consequences for the cost of borrowing and returns from investment.	Interest rate and income forecasts are kept under review in order to mitigate this risk.
External income / interest on investments received is not at the level anticipated.	Budget estimates are risk adjusted meaning a degree of adverse variation can be absorbed. The strategy / approach to calculating the Council's minimum recommended level of General Fund balances is also prepared accordingly.

Key Development and Delivery Milestones:

Milestone	Timeline
Commencement of review of Treasury Management budget and commitments.	Autumn 2018.
Completion of initial review.	December 2018.
Further review to confirm estimates.	January 2019.
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The review of the Treasury Management activities and opportunities to maximise external income is a key function of the Finance Service. The budget proposal has therefore been subject to appropriate consideration and analysis and the £2.000m target is considered achievable.

Signed RO	21-Aug-2018
Signed Finance	22-Aug-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

Oldham Council

Reference :	CCS-BR1-245
Responsible Officer :	Anne Ryans
Cabinet Member :	Cllr A Jabbar
Support Officer :	Andrew Moran

BR1 - Section A

Service Area :	Finance
Budget Reduction Title :	Financial Services Redesign

Budget Reduction Proposal - Detail and Objectives :

The Finance Service has continued to deliver a high quality of service to the Council. However, the structure (of the Accountancy Function) requires realigning formally to reflect the revised operational management arrangements of the Council and to reflect efficiencies in operational practice which has reduced the head count requirement. The service has also revised its training policy to reflect opportunities arising from the Apprentice Levy so there is no further requirement for supernumerary training posts.

2018/19 Service Budget and Establishment	£000
Employees	3,319
Other Operational Expenses	688
Income	(1,062)
Total	2,945

Current Forecast (under) / overspend	(64)

Number of posts (Full time equivalent)	71.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(200)	0	0
Proposed Staffing Reductions (FTE)	(4.00)	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
There will be no impact on property from this proposal.
Service Delivery
There will be no impact on the service delivered by the finance service.
Future expected outcomes
The proposal will contribute to the achievement of the 2019/20 budget reduction target.
Organisation
There will be no impact on the organisation from this proposal.
Workforce
The proposal will remove five vacant posts and create one additional post.
Communities and Service Users
There will be no impact on communities and service users from this proposal.
Oldham Cares
There will be no impact on Oldham Cares from this proposal.
Other Partner Organisations
There will be no impact on other partner organisations from this proposal.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
A £0.200m contribution to the achievement of the 2019/20 budget reduction target.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Concerns expressed by staff.	Consultation and discussions with staff.
Concerns expressed by service users.	The posts have been vacant for some time and service provision has not been compromised.
Increased requirement for financial advice and support from the finance service.	The service is flexible and responsive to the demands of customers and can prioritise key activities accordingly.

Key Development and Delivery Milestones:

Milestone	Timeline
Preparation of a consultation document for staff.	November 2018.
Consult with staff and Trade Unions.	December 2018.
Incorporation of any changes arising from consultation.	January / February 2019.
Implementation.	April 2019.

Section D

Consultation Required?	Yes

	Start	Conclusion
Staff	14-Nov-2018	14-Feb-2019
Trade Union	14-Nov-2018	14-Feb-2019
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
The budget reduction proposal for the Finance Service can be delivered in full from 2019/20 onwards. The reduction in budget will be realised by the deletion of five vacant posts and the creation of one additional post (a net reduction of four FTE).

Signed RO	18-Oct-2018

Signed Finance	18-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

Oldham Council

Reference :	CCS-BR1-247
Responsible Officer :	Martyn Bramwell
Cabinet Member :	Cllr A Jabbar
Support Officer :	Paul Dernley

BR1 - Section A

Service Area :	People Management Inc. Unity Client for HR
Budget Reduction Title :	Transition AVC contributions to Salary Sacrifice

Budget Reduction Proposal - Detail and Objectives :

There are currently 119 employees that contribute to AVCs (Additional Voluntary Contributions) within the Local Government Pension Scheme at Oldham Council, MioCare and Schools.

New arrangements with HMRC allow the transition of these to a salary sacrifice arrangement. This produces savings for the Council through reduced National Insurance and Apprenticeship Levy liabilities. Equally employees save tax and NI contributions on the deduction increasing the value of their contributions. The 119 currently paying into AVCs are spread across Schools and the Council. The total savings are estimated at £0.052m with £0.040m of this being through the Council's workforce. As a salary sacrifice scheme is more attractive to employees alike and with the increased promotion of the scheme that a managed service can offer, uptake is anticipated to increase further increasing the savings (though the extent is presently unknown).

It is expected, and known to be the case for one such supplier, that fees are a percentage of the saving and therefore only applied if savings are realised.

2018/19 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	0
Income	(0)
Total	0

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	0.00

	2019/20	2020/21	2021/22
Proposed Budget Reduction (£000)	(40)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a "one-off" in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following? :

Property
None
Service Delivery
None
Future expected outcomes
Will likely increase AVC take-up due to the benefits salary sacrifice unlocks.
Organisation
Budget savings.
Workforce
Financial savings associated with AVCs.
Communities and Service Users
None
Oldham Cares
None
Other Partner Organisations
None

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Initial budget savings with the potential for increase.

Section C

Key Risks and Mitigations:

Risk	Mitigation
Inability to identify and collect the savings produced.	Finance to consider as part of their review of the proposal.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones:

Milestone	Timeline
Selection of Preferred Supplier (subject to procurement requirements)	By 31st December 2018
Implementation of service	1st January 2019 - 31st March 2019
N/A	N/A
N/A	N/A

Section D

Consultation Required?	No

	Start	Conclusion
Staff	not applicable	not applicable
Trade Union	not applicable	not applicable
Public	not applicable	not applicable
Service User	not applicable	not applicable
Other	not applicable	not applicable

Equality Impact Screening

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

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

EIA required? (automatically updates to Yes, if any of the above impacts are Yes)	No

Section E

Finance Comments
This proposal to change the treatment of AVC's within payroll is in line with recently released Government guidance and will provide a benefit to both employees and employers by reducing the amount payable for National Insurance contributions. The estimated employer saving has been calculated using current agreed AVC levels and there is no reason why the equivalent budget reduction would not be achievable in 2019/20.

Signed RO	18-Oct-2018
Signed Finance	19-Oct-2018

Cabinet Member Signature	
Name and Date	Cllr A Jabbar 14-Jan-2019

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Appendix 4

Proposed 2019/20

Fees and Charges

Schedules

Fees &

Charges

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Proposed Fees and Charges 2019/20

APPENDIX 4

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
ADULT SOCIAL CARE - PROTECTION OF PROPERTY										
• Admin fee with property search	555.00	N	0.00	555.00	567.21	N	0.00	567.21	2%	12.21
• Admin fee without property search	309.00	N	0.00	309.00	316.73	N	0.00	316.73	3%	7.73
• Burial/cremation - charge cost of service	Cost of Service	N	0.00	Cost of service	Cost of Service	N	0.00	Cost of Service		
• Administration fee (per hour)	18.00	N	0.00	18.00	18.00	N	0.00	18.00	0%	0.00
• Storage property less than 28 days	FREE	N	0.00	FREE	FREE	N	0.00	FREE		
• Storage of property over 28 days	59.67	N	0.00	59.67	61.16	N	0.00	61.16	2%	1.49
• Deferred Payment Agreement set up fee	539.00	N	0.00	539.00	539.00	N	0.00	539.00	0%	0.00
• Deferred Payment Annual Fee	260.00	N	0.00	260.00	260.00	N	0.00	260.00	0%	0.00
• Deferred Payment Closure Fee	120.00	N	0.00	120.00	120.00	N	0.00	120.00	0%	0.00
• Appointeeship Charges - Residential (New)	5.00	N	0.00	5.00	5.00	N	0.00	5.00	0%	0.00
• Appointeeship Charges - Community (New)	10.00	N	0.00	10.00	10.00	N	0.00	10.00	0%	0.00
ADULT SOCIAL CARE - HOUSING AND CARE										
• New Health and Well-Being Charge in ECH (per week)	Actual cost of provision	N	0.00	27.00	Actual cost of provision	N	0.00	Actual cost of provision		
• Helpline services (per week) - Bronze	2.00	N	0.00	2.00	2.00	N	0.00	2.00	0%	0.00
• Helpline services (per week) - Silver	5.00	N	0.00	5.00	5.00	N	0.00	5.00	0%	0.00
• Helpline services (per week) - Gold	6.50	N	0.00	6.50	6.50	N	0.00	6.50	0%	0.00
• HSG 21 Helpline services (per week) - Silver	3.00	N	0.00	3.00	3.00	N	0.00	3.00	0%	0.00
• HSG 21 Helpline services (per week) - Gold	5.00	N	0.00	5.00	5.00	N	0.00	5.00	0%	0.00
• Installing Helpline	40.00	N	0.00	40.00	40.00	N	0.00	40.00	0%	0.00
• Installing a Keysafe	65.00	N	0.00	65.00	65.00	N	0.00	65.00	0%	0.00
• Installing Helpline and a Keysafe	95.00	N	0.00	95.00	95.00	N	0.00	95.00	0%	0.00
• Assistive Technology per item per week	1.00	N	0.00	1.00	1.00	N	0.00	1.00	0%	0.00
• Pill Dispenser (lost or damaged)	150.00	N	0.00	150.00	150.00	N	0.00	150.00	0%	0.00
• Lost or Missing Equipment	Dependant on Equipment	N	0.00	Dependant on Equipment	Dependant on Equipment	N	0.00	Dependant on Equipment		

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
COURT OF PROTECTION FEES										
• Work up to First Order	745.00	N	0.00	745.00	745.00	N	0.00	745.00	0%	0.00
• Lodgement of Account	216.00	N	0.00	216.00	216.00	N	0.00	216.00	0%	0.00
• General working first year (assets over £16K)	775.00	N	0.00	775.00	775.00	N	0.00	775.00	0%	0.00
• General work in any subsequent year (assets over £16K)	650.00	N	0.00	650.00	650.00	N	0.00	650.00	0%	0.00
• Subsequent year - Assets over £16K (3.5% of balance)	Dependent on Balance	N	0.00	Dependent on Balance	Dependent on Balance	N	0.00	Dependent on Balance		
• Annual property management fee	300.00	N	0.00	300.00	300.00	N	0.00	300.00	0%	0.00
• Preparation of a basic hmrc tax return on behalf of 'P'	70.00	N	0.00	70.00	70.00	N	0.00	70.00	0%	0.00
• Preparation of a complex hmrc tax return on behalf of 'P'	140.00	N	0.00	140.00	140.00	N	0.00	140.00	0%	0.00
• Travel Rates - deputy visits to 'P' £40 per hour	Dependent on number of visits	N	0.00	Dependent on number of visits	Dependent on number of visits	N	0.00	Dependent on number of visits		
FACILITIES MANAGEMENT										
CHADDERTON TOWN HALL / FAILSWORTH TOWN HALL										
• Hourly Charge (including 1 Steward)	87.50	N	0.00	87.50	87.50	N	0.00	87.50	0%	0.00
• Data Projector Screen	20.00	N	0.00	20.00	20.00	N	0.00	20.00	0%	0.00
• Microphone	12.00	N	0.00	12.00	12.00	N	0.00	12.00	0%	0.00
• Screen	5.00	N	0.00	5.00	5.00	N	0.00	5.00	0%	0.00
• Flip Chart	5.00	N	0.00	5.00	5.00	N	0.00	5.00	0%	0.00
• PA System	30.00	N	0.00	30.00	30.00	N	0.00	30.00	0%	0.00
• Data Projector Screen	20.00	N	0.00	20.00	20.00	N	0.00	20.00	0%	0.00
QUEEN ELIZABETH HALL AND CHADDERTON TOWN HALL										
STEWARDS										
• Hourly Charge Per Steward	15.00	N	0.00	15.00	15.00	N	0.00	15.00	0%	0.00
• Minimum Charge 4 Hours	75.00	N	0.00	75.00	75.00	N	0.00	75.00	0%	0.00
• QEH hires including Parking Provision Evening and Sundays only	260.00	Y	52.00	312.00	260.00	Y	52.00	312.00	0%	0.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
LINK CENTRE ROOM HIRE										
MEETING ROOM 1 AND 2 (PER HOUR)										
• Weekdays 8:30 -17:00	15.68	Y	3.14	18.82	19.00	N	0.00	19.00	21%	3.32
• Evenings 17:00 - 21:30	20.91	Y	4.18	25.09	25.00	N	0.00	25.00	20%	4.09
• Saturday	26.14	Y	5.23	31.37	31.00	N	0.00	31.00	19%	4.86
• Sunday	31.37	Y	6.27	37.64	38.00	N	0.00	38.00	21%	6.63
FUNCTION ROOMS (FULL ROOM - PER HOUR)										
• Weekdays 8:30 -17:00	31.37	Y	6.27	37.64	38.00	N	0.00	38.00	21%	6.63
• Evenings 17:00 - 21:30	37.64	Y	7.53	45.17	45.00	N	0.00	45.00	20%	7.36
• Saturday	43.91	Y	8.78	52.69	53.00	N	0.00	53.00	21%	9.09
• Sunday	52.58	Y	10.52	63.10	63.00	N	0.00	63.00	20%	10.42
FUNCTION ROOMS (HALF ROOM - PER HOUR)										
• Weekdays 8:30 -17:00	21.96	Y	4.39	26.35	27.00	N	0.00	27.00	23%	5.04
• Evenings 17:00 - 21:30	27.18	Y	5.44	32.62	33.00	N	0.00	33.00	21%	5.82
• Saturday	32.42	Y	6.48	38.90	39.00	N	0.00	39.00	20%	6.58
• Sunday	39.73	Y	7.95	47.68	48.00	N	0.00	48.00	21%	8.27
FUNCTION ROOMS (QUARTER ROOM - PER HOUR)										
• Weekdays 8:30 -17:00	15.68	Y	3.14	18.82	19.00	N	0.00	19.00	21%	3.32
• Evenings 17:00 - 21:30	20.91	Y	4.18	25.09	25.00	N	0.00	25.00	20%	4.09
• Saturday	26.14	Y	5.23	31.37	32.00	N	0.00	32.00	22%	5.86
• Sunday	31.37	Y	6.27	37.64	38.00	N	0.00	38.00	21%	6.63
INTERVIEW ROOM (PER HOUR)										
• Weekdays 8:30 -17:00	5.23	Y	1.05	6.28	6.00	N	0.00	6.00	15%	0.77
• Evenings 17:00 - 21:30	8.36	Y	1.67	10.03	10.00	N	0.00	10.00	20%	1.64
• Saturday	12.55	Y	2.51	15.06	15.00	N	0.00	15.00	20%	2.45
• Sunday	17.77	Y	3.55	21.32	21.00	N	0.00	21.00	18%	3.23

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
TREATMENT ROOM (PER HOUR)										
• Weekdays 8:30 -17:00	8.36	Y	1.67	10.03	10.00	N	0.00	10.00	20%	1.64
• Evenings 17:00 - 21:30	12.55	Y	2.51	15.06	15.00	N	0.00	15.00	20%	2.45
• Saturday	18.82	Y	3.76	22.58	23.00	N	0.00	23.00	22%	4.18
• Sunday	27.17	Y	5.43	32.60	33.00	N	0.00	33.00	21%	5.83
PHYSIOTHERAPY ROOM (PER HOUR)										
• Weekdays 8:30 -17:00	10.46	Y	2.09	12.55	13.00	N	0.00	13.00	24%	2.54
• Evenings 17:00 - 21:30	15.68	Y	3.14	18.82	19.00	N	0.00	19.00	21%	3.32
• Saturday	20.91	Y	4.18	25.09	25.00	N	0.00	25.00	20%	4.09
• Sunday	29.27	Y	5.85	35.12	35.00	N	0.00	35.00	20%	5.73
RELAXATION ROOM (PER HOUR)										
• Weekdays 8:30 -17:00	10.46	Y	2.09	12.55	13.00	N	0.00	13.00	24%	2.54
• Evenings 17:00 - 21:30	15.68	Y	3.14	18.82	19.00	N	0.00	19.00	21%	3.32
• Saturday	20.91	Y	4.18	25.09	25.00	N	0.00	25.00	20%	4.09
• Sunday	29.27	Y	5.85	35.12	35.00	N	0.00	35.00	20%	5.73
USE OF CAFÉ AREA (PER HOUR)										
• Evenings 17:00 - 21:30	20.91	Y	4.18	25.09	25.00	N	0.00	25.00	20%	4.09
• Saturday	26.14	Y	5.23	31.37	32.00	N	0.00	32.00	22%	5.86
• Sunday	31.37	Y	6.27	37.64	38.00	N	0.00	38.00	21%	6.63
USE OF AMENITIES (PER HOUR)										
• Evenings 17:00 - 21:30	20.91	Y	4.18	25.09	25.00	N	0.00	25.00	20%	4.09
• Saturday	26.14	Y	5.23	31.37	32.00	N	0.00	32.00	22%	5.86
• Sunday	31.37	Y	6.27	37.64	38.00	N	0.00	38.00	21%	6.63
ADDITIONAL EQUIPMENT / SERVICE HIRE (PER HOUR)										
• Projector(includes wide screen)	8.36	Y	1.67	10.03	10.00	N	0.00	10.00	20%	1.64
• TV / DVD	10.46	Y	2.09	12.55	13.00	N	0.00	13.00	24%	2.54
• Laptop	10.46	Y	2.09	12.55	13.00	N	0.00	13.00	24%	2.54
• Flip Chart Stands	2.09	Y	0.42	2.51	3.00	N	0.00	3.00	44%	0.91
• Photocopying (per sheet)	0.10	Y	0.02	0.12	0.15	N	0.00	0.15	50%	0.05
• Large Water Boiler	5.23	Y	1.05	6.28	6.50	N	0.00	6.50	24%	1.27

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
OFFICE AND ROOM LETTINGS										
HONEYWELL CENTRE - COMMERCIAL RATES PER HOUR										
• Hall	38.50	N	0.00	38.50	38.50	N	0.00	38.50	0%	0.00
• Youth Wing	33.00	N	0.00	33.00	33.00	N	0.00	33.00	0%	0.00
• Community Room 1	22.00	N	0.00	22.00	22.00	N	0.00	22.00	0%	0.00
• Community Room 2	22.00	N	0.00	22.00	22.00	N	0.00	22.00	0%	0.00
• IT Suite	28.00	N	0.00	28.00	28.00	N	0.00	28.00	0%	0.00
• Studio 2	33.00	N	0.00	33.00	33.00	N	0.00	33.00	0%	0.00
• Fitness/Dance Studio	10.00	N	0.00	10.00	10.00	N	0.00	10.00	0%	0.00
Discounts on the above charges will be applied for community and voluntary groups										
ON STREET CAR PARKING										
MONDAY - SATURDAY 8AM TO 6PM										
• 0 - 45 minutes	0.20	N	0.00	0.20	0.20	N	0.00	0.20	0%	0.00
• 0 - 1 hour	0.40	N	0.00	0.40	0.40	N	0.00	0.40	0%	0.00
• 0 - 1 hour 30 minutes	0.70	N	0.00	0.70	0.70	N	0.00	0.70	0%	0.00
• 0 - 2 hours	1.10	N	0.00	1.10	1.10	N	0.00	1.10	0%	0.00
• Annual Parking Waiver (On Street Only)	300.00	N	0.00	300.00	300.00	N	0.00	300.00	0%	0.00
• Short Term Parking Waiver 2 - 28 days	37.00	N	0.00	37.00	37.00	N	0.00	37.00	0%	0.00
• Short Term Parking Waiver 1 day	22.00	N	0.00	22.00	22.00	N	0.00	22.00	0%	0.00
TOMMYFIELD MARKET CAR PARK (INC DISABLED BADGE HOLDERS)										
MONDAY - FRIDAY 8AM TO MIDNIGHT										
• 0 – 30 minutes	0.67	Y	0.13	0.80	0.67	Y	0.13	0.80	0%	0.00
• 0 – 1 hour	1.17	Y	0.23	1.40	1.17	Y	0.23	1.40	0%	0.00
• 0 – 2 hours	1.67	Y	0.33	2.00	1.67	Y	0.33	2.00	0%	0.00
SATURDAY AND SUNDAY										
• 0 – 3 hours	FREE	Y	0.00	FREE	0.00	Y	0.00	0.00	0%	0.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
BOW STREET/SOUTHGATE STREET/WATERLOO STREET CAR PARKS										
Disabled Badge Holders - all day	FREE	Y	0.00	0.00	0.00	Y	0.00	0.00	0%	0.00
MONDAY - FRIDAY 8AM TO MIDNIGHT										
• 0 – 1 hour	1.00	Y	0.20	1.20	1.00	Y	0.20	1.20	0%	0.00
• 0 – 2 hours	1.42	Y	0.28	1.70	1.42	Y	0.28	1.70	0%	0.00
• 0 – 3 hours	1.75	Y	0.35	2.10	1.75	Y	0.35	2.10	0%	0.00
• 0 – 5 hours	2.42	Y	0.48	2.90	2.42	Y	0.48	2.90	0%	0.00
• Over 5 hours	3.83	Y	0.77	4.60	3.83	Y	0.77	4.60	0%	0.00
SATURDAY AND SUNDAY										
• 0 – 3 hours	FREE	Y	0.00	FREE	0.00	Y	0.00	0.00	0%	0.00
• 0 – 5 hours	2.42	Y	0.48	2.90	2.42	Y	0.48	2.90	0%	0.00
• Over 5 hours	3.83	Y	0.77	4.60	3.83	Y	0.77	4.60	0%	0.00
CIVIC CENTRE CAR PARK										
Disabled Badge Holders 0- 3 hours	FREE	Y	0.00	0.00	0.00	Y	0.00	0.00	0%	0.00
MONDAY TO FRIDAY 8AM TO 7PM										
• 0 – 1 hour	1.08	Y	0.22	1.30	1.08	Y	0.22	1.30	0%	0.00
• 0 – 2 hours	1.50	Y	0.30	1.80	1.50	Y	0.30	1.80	0%	0.00
• 0 – 3 hours	2.08	Y	0.42	2.50	2.08	Y	0.42	2.50	0%	0.00
• 0 – 4 hours	2.92	Y	0.58	3.50	2.92	Y	0.58	3.50	0%	0.00
• 0 – 5 hours	3.08	Y	0.62	3.70	3.08	Y	0.62	3.70	0%	0.00
• Over 5 hours	6.67	Y	1.33	8.00	6.67	Y	1.33	8.00	0%	0.00
SATURDAY AND SUNDAY 8AM TO 7PM										
• 0 – 3 hours	FREE	Y	0.00	FREE	0.00	Y	0.00	0.00	0%	0.00
• 0 – 4 hours	2.92	Y	0.58	3.50	2.92	Y	0.58	3.50	0%	0.00
• 0 – 5 hours	3.08	Y	0.62	3.70	3.08	Y	0.62	3.70	0%	0.00
• Over 5 hours	6.67	Y	1.33	8.00	6.67	Y	1.33	8.00	0%	0.00
MONDAY - FRIDAY 7PM TO MIDNIGHT										
• 0 to 5 hours	1.00	Y	0.20	1.20	1.00	Y	0.20	1.20	0%	0.00
SATURDAY AND SUNDAY 7PM TO MIDNIGHT										
• 0 – 3 hours	FREE	Y	0.00	FREE	0.00	Y	0.00	0.00	0%	0.00
• 0 – 5 hours	1.00	Y	0.20	1.20	1.00	Y	0.20	1.20	0%	0.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
NEW RADCLIFFE STREET CAR PARK (INCL DISABLED BADGE HOLDERS)										
ALL DAYS 8AM TO MIDNIGHT										
• 0 – 3 hours	FREE	Y	0.00	FREE	0.00	Y	0.00	0.00	0%	0.00
• 0 – 5 hours	2.42	Y	0.48	2.90	2.42	Y	0.48	2.90	0%	0.00
• Over 5 hours	3.83	Y	0.77	4.60	3.83	Y	0.77	4.60	0%	0.00
BRADSHAW STREET CAR PARK										
MONDAY TO FRIDAY 8AM TO 6PM										
Disabled Badge Holders all day	FREE	Y	0.00	0.00	0.00	Y	0.00	0.00	0%	0.00
• 0 – 1 hour	1.00	Y	0.20	1.20	1.00	Y	0.20	1.20	0%	0.00
• 0 – 2 hours	1.42	Y	0.28	1.70	1.42	Y	0.28	1.70	0%	0.00
• 0 – 3 hours	1.75	Y	0.35	2.10	1.75	Y	0.35	2.10	0%	0.00
• 0 – 4 hours	2.33	Y	0.47	2.80	2.33	Y	0.47	2.80	0%	0.00
• 0 – 5 hours	2.83	Y	0.57	3.40	2.83	Y	0.57	3.40	0%	0.00
• Over 5 hours	5.83	Y	1.17	7.00	5.83	Y	1.17	7.00	0%	0.00
SATURDAY AND SUNDAY 8AM TO 6PM										
• 0 – 3 hours	FREE	Y	0.00	FREE	0.00	Y	0.00	0.00	0%	0.00
• 0 – 4 hours	1.00	Y	0.20	1.20	1.00	Y	0.20	1.20	0%	0.00
• 0 – 5 hours	2.83	Y	0.57	3.40	2.83	Y	0.57	3.40	0%	0.00
• Over 5 hours	5.83	Y	1.17	7.00	5.83	Y	1.17	7.00	0%	0.00
MONDAY - FRIDAY 6PM TO MIDNIGHT										
• 0 to 6 hours	1.25	Y	0.25	1.50	1.25	Y	0.25	1.50	0%	0.00
SATURDAY AND SUNDAY 6PM TO MIDNIGHT										
• 0 – 3 hours	FREE	Y	0.00	FREE	0.00	Y	0.00	0.00	0%	0.00
• 0 – 6 hours	1.25	Y	0.25	1.50	1.25	Y	0.25	1.50	0%	0.00
DOVESTONES (SADDLEWORTH) CAR PARK										
ALL DAYS 8AM TO MIDNIGHT										
• 0 – 3 hours	0.50	Y	0.10	0.60	0.50	Y	0.10	0.60	0%	0.00
• All Day	1.08	Y	0.22	1.30	1.08	Y	0.22	1.30	0%	0.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
FORMER SPORTS CENTRE CAR PARK (INCL DISABLED BADGE HOLDERS)										
MONDAY TO FRIDAY 8AM TO 6PM										
• 0 – 2 hours	1.33	Y	0.27	1.60	1.33	Y	0.27	1.60	0%	0.00
• 2 - 4 hours	2.25	Y	0.45	2.70	2.25	Y	0.45	2.70	0%	0.00
• All Day	5.50	Y	1.10	6.60	5.50	Y	1.10	6.60	0%	0.00
SATURDAY										
• 0 – 3 hours	FREE	Y	0.00	FREE	0.00	Y	0.00	0.00	0%	0.00
• 0 - 4 hours	2.25	Y	0.45	2.70	2.25	Y	0.45	2.70	0%	0.00
• All Day	5.50	Y	1.10	6.60	5.50	Y	1.10	6.60	0%	0.00
SUNDAY										
• All Day	FREE	Y	0.00	FREE	0.00	Y	0.00	0.00	0%	0.00
CONTRACT PASS CHARGES										
• Bradshaw St	641.67	Y	128.33	770.00	641.67	Y	128.33	770.00	0%	0.00
• Bow Street	574.17	Y	114.83	689.00	574.17	Y	114.83	689.00	0%	0.00
• Southgate Street	614.17	Y	122.83	737.00	614.17	Y	122.83	737.00	0%	0.00
• Waterloo Street	614.17	Y	122.83	737.00	614.17	Y	122.83	737.00	0%	0.00
HOBSON STREET CAR PARK CONTRACT PARKING										
• Annual	593.30	Y	118.66	711.96	593.30	Y	118.66	711.96	0%	0.00
• Disabled Badge Holders	FREE	Y	0.00	FREE	0.00	Y	0.00	0.00	0%	0.00
SUSPENSION COSTS										
• Deployment of a small suspension (up to 20 cones)	29.17	Y	5.83	35.00	29.17	Y	5.83	35.00	0%	0.00
• Deployment of a medium suspension (21 to 40 cones)	58.33	Y	11.67	70.00	58.33	Y	11.67	70.00	0%	0.00
• Deployment of a large suspension (41 to 100 cones)	87.50	Y	17.50	105.00	87.50	Y	17.50	105.00	0%	0.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
SCHOOL MEALS										
MAINTAINED SCHOOLS										
Meal per day for Adult (from 1st September 2019)	2.40	Y	0.48	2.88	2.50	Y	0.50	3.00	4%	0.10
Meal per day for Child (from 1st September 2019)	2.10	N	0.00	2.10	2.30	N	0.00	2.30	10%	0.20
PARKS AND OPEN SPACES										
• Hire of large park or playing field	335.28	Y	67.06	402.33	350.00	Y	70.00	420.00	4.4%	14.72
• Concessionary use by a Charity	218.66	Y	43.73	262.40	225.00	Y	45.00	270.00	2.9%	6.34
• Hire of small park or playing field	159.50	Y	31.90	191.39	165.00	Y	33.00	198.00	3.5%	5.51
• Concessionary use by a Charity	106.33	Y	21.27	127.59	110.00	Y	22.00	132.00	3.5%	3.67
OUTDOOR FACILITIES (CHARGES SEASONAL)										
FOOTBALL, RUGBY, LACROSSE AND HOCKEY										
CHANGING ACCOMMODATION										
• Grade A - Good	200.00	N	0.00	200.00	205.00	N	0.00	205.00	2.5%	5.00
• Grade B - Above Average	155.00	N	0.00	155.00	160.00	N	0.00	160.00	3.2%	5.00
• Grade C - Average	130.00	N	0.00	130.00	135.00	N	0.00	135.00	3.8%	5.00
PITCH										
• Grade A	430.00	N	0.00	430.00	445.00	N	0.00	445.00	3.5%	15.00
• Grade B	360.00	N	0.00	360.00	375.00	N	0.00	375.00	4.2%	15.00
• Grade C	315.00	N	0.00	315.00	325.00	N	0.00	325.00	3.2%	10.00
• Occasional use of pitch including accommodation	90.00	Y	18.00	108.00	95.00	Y	19.00	114.00	5.6%	5.00
• Occasional use of pitch only	70.00	Y	14.00	84.00	70.00	Y	14.00	84.00	0.0%	0.00
• Occasional use of changing accommodation per hour	20.00	Y	4.00	24.00	20.00	Y	4.00	24.00	0.0%	0.00
JUNIOR CHARGES										
• 75% of the above charges	75% of above			75% of above	75% of above			75% of above	0.0%	0.00
CRICKET										
• Use of pitch per season alternate Saturdays without changing accommodation	400.00	N	0.00	400.00	415.00	N	0.00	415.00	3.8%	15.00
• Use of pitch per season alternate Saturdays with changing accommodation	510.00	N	0.00	510.00	530.00	N	0.00	530.00	3.9%	20.00
• Casual use of pitch and changing accommodation per match	90.00	Y	18.00	108.00	95.00	Y	19.00	114.00	5.6%	5.00
• Casual use of pitch without changing accommodation per match	70.00	Y	14.00	84.00	70.00	Y	14.00	84.00	0.0%	0.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
CEMETERIES										
NEW GRAVES										
• New grave for 1 or 2 people	838.64	N	0.00	838.64	860.00	N	0.00	860.00	2.5%	21.37
• (Non resident)	1,260.53	N	0.00	1,260.53	1290.00	N	0.00	1290.00	2.3%	29.48
• New grave for 3 interments	887.00	N	0.00	887.00	910.00	N	0.00	910.00	2.6%	23.00
• (Non resident)	1,327.41	N	0.00	1,327.41	1360.00	N	0.00	1360.00	2.5%	32.59
• New grave for 2 interments including foundation	998.13	N	0.00	998.13	1025.00	N	0.00	1025.00	2.7%	26.87
• (Non resident)	1,414.88	N	0.00	1,414.88	1450.00	N	0.00	1450.00	2.5%	35.13
• New grave for 3 interments including foundation	1,042.38	N	0.00	1,042.38	1070.00	N	0.00	1070.00	2.7%	27.62
• (Non resident)	1,481.76	N	0.00	1,481.76	1520.00	N	0.00	1520.00	2.6%	38.24
• Plot for cremated remains – Crompton	734.71	N	0.00	734.71	750.00	N	0.00	750.00	2.1%	15.29
• Plot for cremated remains – Crompton (non resident)	1,095.89	N	0.00	1,095.89	1125.00	N	0.00	1125.00	2.7%	29.12
• Plot for cremated remains – Hollinwood	350.00	N	0.00	350.00	360.00	N	0.00	360.00	2.9%	10.00
• Plot for cremated remains – Hollinwood (non resident)	515.00	N	0.00	515.00	530.00	N	0.00	530.00	2.9%	15.00
• Appointment to choose a new grave or locate a grave with staff assistance	33.96	N	0.00	33.96	35.00	N	0.00	35.00	3.1%	1.04
INTERMENT FEES FOR OPENING STANDARD PLOT GRAVES AND VAULTS WITH EXCLUSIVE RIGHT OF BURIAL AND PUBLIC GRAVES										
• Persons 18 years of age and over	818.06	N	0.00	818.06	840.00	N	0.00	840.00	2.7%	21.95
• Persons 18 years of age and over (non resident)	1,217.31	N	0.00	1,217.31	1250.00	N	0.00	1250.00	2.7%	32.69
• Persons 18 years of age and under	0.00	N	0.00	FREE	0.00	N	0.00	0.00	0.0%	0.00
• Still born and Non-viable foetus	0.00	N	0.00	FREE	0.00	N	0.00	0.00	0.0%	0.00
• Exhumation fees	1,123.67	N	0.00	1,123.67	1150.00	N	0.00	1150.00	2.3%	26.33
SURCHARGES FOR OUT OF NORMAL HOURS BURIALS										
• Mon to Thurs between 2.30 and 4.00	51.45	N	0.00	51.45	52.00	N	0.00	52.00	1.1%	0.55
• Friday between 11am and 12noon	51.45	N	0.00	51.45	52.00	N	0.00	52.00	1.1%	0.55
• Friday between 12noon and 1pm	101.87	N	0.00	101.87	104.00	N	0.00	104.00	2.1%	2.13
• Friday between 1pm and 2pm	153.32	N	0.00	153.32	157.00	N	0.00	157.00	2.4%	3.68
• Friday after 2pm and weekday evenings	205.80	N	0.00	205.80	210.00	N	0.00	210.00	2.0%	4.20
• Burials (Saturday, Sunday or Bank Holidays)	527.88	N	0.00	527.88	540.00	N	0.00	540.00	2.3%	12.12

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INTERMENT OF CREMATED REMAINS										
• Interment in earthen graves or vaults	225.35	N	0.00	225.35	230.00	N	0.00	230.00	2.1%	4.65
• Strewing of cremated remains (Non Oldham resident)	51.45	N	0.00	51.45	52.00	N	0.00	52.00	1.1%	0.55
MONUMENTAL FEES										
• Permission to erect a memorial not exceeding 3' in height	169.79	N	0.00	169.79	175.00	N	0.00	175.00	3.1%	5.22
• Permission to erect a memorial not exceeding 3' in height (non resident)	245.93	N	0.00	245.93	250.00	N	0.00	250.00	1.7%	4.07
• Permission to add an additional inscription	43.99	N	0.00	43.99	45.00	N	0.00	45.00	2.3%	1.01
• Provision of memorial under 2'	63.80	N	0.00	63.80	65.00	N	0.00	65.00	1.9%	1.20
OTHER CHARGES										
• Bricked Grave for 2 persons	735.74	N	0.00	735.74	755.00	N	0.00	755.00	2.6%	19.27
• Bricked Grave for 2 persons (non resident)	1,101.03	N	0.00	1,101.03	1130.00	N	0.00	1130.00	2.6%	28.97
• Coffin size larger than 6'6 long or 26" wide - Surcharge	51.45	N	0.00	51.45	0.00	N	0.00	0.00	-100.0%	-51.45
• Bricks to seal grave	107.02	N	0.00	107.02	110.00	N	0.00	110.00	2.8%	2.98
• Concrete lining for graves	277.83	N	0.00	277.83	285.00	N	0.00	285.00	2.6%	7.17
• Timber lining for graves	185.22	N	0.00	185.22	190.00	N	0.00	190.00	2.6%	4.78
• Test dig to confirm depth	64.83	N	0.00	64.83	65.00	N	0.00	65.00	0.3%	0.17
• Certified extracts from burial register	21.09	N	0.00	21.09	22.00	N	0.00	22.00	4.3%	0.91
• Transfer of grant of exclusive right of burial	66.89	N	0.00	66.89	69.00	N	0.00	69.00	3.2%	2.12
• Transfer of grant of exclusive right of burial (to a non resident)	94.67	N	0.00	94.67	97.00	N	0.00	97.00	2.5%	2.33
• Issue duplicate of grant of exclusive right of burial	62.77	N	0.00	62.77	65.00	N	0.00	65.00	3.6%	2.23
• Issue duplicate of grant of exclusive right of burial (non resident)	97.76	N	0.00	97.76	100.00	N	0.00	100.00	2.3%	2.25
• Use of Crematorium Chapel (Inc. recorded music or use of organ)	195.51	N	0.00	195.51	200.00	N	0.00	200.00	2.3%	4.49
• Re-open niche	62.77	N	0.00	62.77	65.00	N	0.00	65.00	3.6%	2.23
• Grave search	15.95	N	0.00	15.95	16.50	N	0.00	16.50	3.5%	0.55
• Register search	39.10	N	0.00	39.10	40.00	N	0.00	40.00	2.3%	0.90

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
• Bronze memorial plaque lease for 10 years	272.69	N	0.00	272.69	280.00	N	0.00	280.00	2.7%	7.32
• Renewal of memorial position for 10 years	170.81	N	0.00	170.81	175.00	N	0.00	175.00	2.5%	4.19
• Renewal of memorial position for 5 years	98.78	N	0.00	98.78	101.00	N	0.00	101.00	2.2%	2.22
• Bronze memorial plaque including lettering	106.33	Y	21.27	127.59	110.00	Y	22.00	132.00	3.5%	3.67
• Double Bronze memorial plaque including lettering	139.77	Y	27.95	167.72	145.00	Y	29.00	174.00	3.7%	5.23
• Granite memorial plaque including lettering	200.00	Y	40.00	240.00	205.00	Y	41.00	246.00	2.5%	5.00
• Lease position on shared bench (to be introduced as available)	272.69	N	0.00	272.69	280.00	N	0.00	280.00	2.7%	7.32

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
CREMATION FEES										
• Persons 18 years of age and over (includes recorded music or use of the organ)	629.75	N	0.00	629.75	645.00	N	0.00	645.00	2.4%	15.25
• Persons under 18 years of age	0.00	N	0.00	FREE	0.00	N	0.00	0.00	0.0%	0.00
• Cremation environmental levy charge (Mercury Abatement legislation)	56.11	N	0.00	56.11	58.00	N	0.00	58.00	3.4%	1.89
• Medical Referee Charge	27.78	N	0.00	27.78	29.00	N	0.00	29.00	4.4%	1.22
• Cremation of Stillborn or non-viable foetus	0.00	N	0.00	FREE	0.00	N	0.00	0.00	0.0%	0.00
OTHER CHARGES										
• Certified extracts from crematorium register	20.07	N	0.00	20.07	21.00	N	0.00	21.00	4.7%	0.93
• Surcharge for cremation after 3.30 pm and extended services (per 30mins)	94.67	N	0.00	94.67	97.00	N	0.00	97.00	2.5%	2.33
FEES FOR INSCRIPTION IN THE BOOK OF REMEMBRANCE										
• Standard 2 line entry	72.88	Y	14.58	87.46	75.00	Y	15.00	90.00	2.9%	2.12
• 5 line entry	130.34	Y	26.07	156.41	135.00	Y	27.00	162.00	3.6%	4.66
• 8 line entry	216.95	Y	43.39	260.35	225.00	Y	45.00	270.00	3.7%	8.05
• 5 line entry with floral emblem	270.11	Y	54.02	324.14	275.00	Y	55.00	330.00	1.8%	4.89
• 5 line entry with badge, crest, shield, illuminated Capital or 8 Line entry with floral emblem.	331.00	Y	66.20	397.20	340.00	Y	68.00	408.00	2.7%	9.00
• 8 line entry with badge, crest, shield or illuminated capital	355.01	Y	71.00	426.01	365.00	Y	73.00	438.00	2.8%	10.00
• 8 line entry with full coat of arms	370.44	Y	74.09	444.53	380.00	Y	76.00	456.00	2.6%	9.56
MEMORIAL CARDS										
• Standard 2 line entry	35.16	Y	7.03	42.19	40.00	Y	8.00	48.00	13.8%	4.84
• 5 line entry	42.88	Y	8.58	51.45	45.00	Y	9.00	54.00	4.9%	2.12
• 8 line entry	58.02	Y	11.60	69.62	60.00	Y	12.00	72.00	3.4%	1.98
• 5 line entry with motif	71.86	Y	14.37	86.23	75.00	Y	15.00	90.00	4.4%	3.14
• 8 line entry with motif	80.60	Y	16.12	96.72	85.00	Y	17.00	102.00	5.5%	4.40

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LIBRARIES, LEISURE AND CULTURE										
LIBRARY CARD										
• Adults	2.00	N	0.00	2.00	2.00	N	0.00	2.00	0%	0.00
• Concession	1.00	N	0.00	1.00	1.00	N	0.00	1.00	0%	0.00
• Book Reservations	0.00	N	0.00	0.00	0.00	N	0.00	0.00		
• Inter Library Reservations	3.40	N	0.00	3.40	5.00	N	0.00	5.00	47%	1.60
• Loan of Music Score	20.00	N	0.00	20.00	20.00	N	0.00	20.00	0%	0.00
• Loan of Play Sets	15.00	N	0.00	15.00	15.00	N	0.00	15.00	0%	0.00
• Photocopying	0.10 to 2.14	N	0.00	0.10 to 2.14	N/A	N	N	N/A	N/A	N/A
• Printing	0.10 to 0.62	N	0.00	0.10 to 0.62	N/A	N	N	N/A	N/A	N/A
PHOTOCOPYING AND PRINTING										
• A4 B&W	0.10	N	0.00	0.10	0.10	N	0.00	0.10	0%	0.00
• A4 Colour	0.60	N	0.00	0.60	0.60	N	0.00	0.60	0%	0.00
• A3 B&W	0.20	N	0.00	0.20	0.20	N	0.00	0.20	0%	0.00
• A3 Colour	1.00	N	0.00	1.00	1.00	N	0.00	1.00	0%	0.00
FAX										
• Send - All £1.00 first sheet, 0.50p per subsequent sheet	1.00	N	0.00	1.00	1.00	N	0.00	1.00	0%	0.00
• Receive - All	1.00	N	0.00	1.00	1.00	N	0.00	1.00	0%	0.00
LIBRARIES ROOM HIRE										
Performance Space Oldham Library	20.00	N	0.00	20.00	20.00	N	0.00	20.00	0%	0.00
Meeting Rooms	10.00	N	0.00	10.00	10.00	N	0.00	10.00	0%	0.00
Sensory Room - Public bookings for half an hour slot	N/A	N/A	N/A	N/A	3.00	N	0.00	3.00	100%	3.00
Sensory Room - Themed session - price per child attending	N/A	N/A	N/A	N/A	3.00	N	0.00	3.00	100%	3.00
Sensory Room - Group bookings for one hour slots	N/A	N/A	N/A	N/A	10.00	N	0.00	10.00	100%	10.00
Sensory Room - Book Bag Session	N/A	N/A	N/A	N/A	30.00	N	0.00	30.00	100%	30.00
Sensory Room - Schools and private settings annual subscription offer- includes two sessions per month, incorporating two book bag sessions	N/A	N/A	N/A	N/A	200.00	N	0.00	200.00	100%	200.00

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BOOK FINES										
• Adults per book per day	0.15	N	0.00	0.15	0.15	N	0.00	0.15	0%	0.00
• Teens per book per day	0.05	N	0.00	0.05	0.05	N	0.00	0.05	0%	0.00
• Children per book per day	0.00	N	0.00	0.00	0.00	N	0.00	0.00	0%	0.00
• Over 60's	0.05	N	0.00	0.05	0.05	N	0.00	0.05	0%	0.00
OTHER FINES										
• DVDs per week	1.00	N	0.00	1.00	1.00	N	0.00	1.00	0%	0.00
• CD ROMS per week	2.86	N	0.00	2.86	N/A	N	0.00	N/A	-100%	-2.86

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OLDHAM THEATRE WORKSHOP										
ACTING & DEVISING WORKSHOP										
• In Oldham	52.50	N	0.00	52.50	53.00	N	0.00	53.00	1%	0.50
• In Oldham on benefit	28.00	N	0.00	28.00	29.00	N	0.00	29.00	4%	1.00
• Outside Oldham	68.00	N	0.00	68.00	69.00	N	0.00	69.00	1%	1.00
• Outside Oldham on benefit	36.50	N	0.00	36.50	37.00	N	0.00	37.00	1%	0.50
CREATE A PERFORMANCE										
• In Oldham	66.00	N	0.00	66.00	67.00	N	0.00	67.00	2%	1.00
• In Oldham on benefit	33.50	N	0.00	33.50	34.00	N	0.00	34.00	1%	0.50
• Outside Oldham	83.50	N	0.00	83.50	84.00	N	0.00	84.00	1%	0.50
• Outside Oldham on benefit	45.00	N	0.00	45.00	46.00	N	0.00	46.00	2%	1.00
IMAGINEERS										
• In Oldham	46.00	N	0.00	46.00	46.00	N	0.00	46.00	0%	0.00
• In Oldham on benefit	24.00	N	0.00	24.00	24.00	N	0.00	24.00	0%	0.00
• Outside Oldham	60.50	N	0.00	60.50	60.50	N	0.00	60.50	0%	0.00
• Outside Oldham on benefit	30.50	N	0.00	30.50	30.50	N	0.00	30.50	0%	0.00
SHOW (SUMMER AND CHRISTMAS)										
• In Oldham	101.00	N	0.00	101.00	102.00	N	0.00	102.00	1%	1.00
• In Oldham on benefit	50.00	N	0.00	50.00	51.00	N	0.00	51.00	2%	1.00
• Outside Oldham	117.00	N	0.00	117.00	118.00	N	0.00	118.00	1%	1.00
• Outside Oldham on benefit	58.50	N	0.00	58.50	59.00	N	0.00	59.00	1%	0.50
SHOW (SUMMER SMALLER SHOW)										
• In Oldham	80.00	N	0.00	80.00	81.00	N	0.00	81.00	1%	1.00
• In Oldham on benefit	41.00	N	0.00	41.00	42.00	N	0.00	42.00	2%	1.00
• Outside Oldham	92.00	N	0.00	92.00	93.00	N	0.00	93.00	1%	1.00
• Outside Oldham on benefit	48.00	N	0.00	48.00	49.00	N	0.00	49.00	2%	1.00
• Summer Holiday Show in a Week one price for all	53.00	N	0.00	53.00	55.00	N	0.00	55.00	4%	2.00
• Actors House - Once a year one price for all	22.00	N	0.00	22.00	30.00	N	0.00	30.00	36%	8.00
SHOW TICKET PRICE										
• In Oldham	9.50	N	0.00	9.50	10.00	N	0.00	10.00	5%	0.50
• In Oldham on benefit	8.00	N	0.00	8.00	8.00	N	0.00	8.00	0%	0.00
• Outside Oldham	9.50	N	0.00	9.50	10.00	N	0.00	10.00	5%	0.50
• Outside Oldham on benefit	8.00	N	0.00	8.00	8.00	N	0.00	8.00	0%	0.00
• Show backs at internal OTW studio venue	1.00	N	0.00	1.00	1.00	N	0.00	1.00	0%	0.00

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LOCAL STUDIES & ARCHIVES										
LOCAL STUDIES LIBRARY										
• Photocopying	0.20 - 1.20	N	0.00	0.20 - 1.20	0.20 - 1.20	N	0.00	0.20 - 1.20	0%	0.00
• Photocopying of Archives	0.50 - 2.10	N	0.00	0.50 - 2.10	0.50 - 2.10	N	0.00	0.50 - 2.10	0%	0.00
• Microfiche	0.80 - 1.60	N	0.00	0.80 - 1.60	0.80 - 1.60	N	0.00	0.80 - 1.60	0%	0.00
• Use of Digital Camera	6.00 - 12.00	N	0.00	6.00 - 12.00	6.00 - 12.00	N	0.00	6.00 - 12.00	0%	0.00
• OS 25" Map Copies	12.00	N	0.00	12.00	12.00	N	0.00	12.00	0%	0.00
• Lectures	30.00	N	0.00	30.00	30.00	N	0.00	30.00	0%	0.00
• Research	6.00 - 35.00	N	0.00	6.00 - 35.00	6.00 - 35.00	N	0.00	6.00 - 35.00		
• Copies of photographs	6.00	N	0.00	6.00	6.00	N	0.00	6.00	0%	0.00
REPRODUCTION										
• Books, periodicals, e-books, CD-Roms	30.00 - 120.22	N	0.00	30.00 - 120.22	30.00 - 120.22	N	0.00	30.00 - 120.22	0%	0.00
• Presentations and internal reports	60.00 - 120.00	N	0.00	60.00 - 120.00	60.00 - 120.00	N	0.00	60.00 - 120.00	0%	0.00
• Advertising in newspapers and periodicals	60.00 -120.00	N	0.00	60.00 -120.00	60.00 -120.00	N	0.00	60.00 -120.00	0%	0.00
• Television	60.00 -700.00	N	0.00	60.00 -700.00	60.00 -700.00	N	0.00	60.00 -700.00	0%	0.00
• Videos DVD's and films	120.00 - 240.00	N	0.00	120.00 - 240.00	120.00 - 240.00	N	0.00	120.00 - 240.00	0%	0.00
• Exhibitions	60.00	N	0.00	60.00	60.00	N	0.00	60.00	0%	0.00
• Interior Decoration of commercial premises	60.00	N	0.00	60.00	60.00	N	0.00	60.00	0%	0.00
OLDHAM GALLERY										
OLDHAM GALLERY ROOM HIRE										
• Education Suite Per hour	20.00	N	0.00	20.00	20.00	N	0.00	20.00	0%	0.00
• Education Suite - Out of Hours	Price on Arrangement			Price on Arrangement	Price on Arrangement			Price on Arrangement	0%	0%
• Gallery Per Hour	29.80 - 109.20	N	0.00	29.80 - 109.20	29.80 - 109.20	N	0.00	29.80 - 109.20	0%	0.00
• All Gallery	Price on Arrangement	N	0.00	Price on Arrangement	Price on Arrangement	N	0.00	Price on Arrangement	0%	0%

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MUSIC CENTRE										
MUSIC CENTRE ACTIVITIES										
(Membership Fees - Academic year charges Sepember to August annually)										
• Tuition Fees	46.00	N	0.00	46.00	47.50	N	0.00	47.50	3%	1.50
• Tuition Fees Additional siblings	38.00	N	0.00	38.00	39.00	N	0.00	39.00	3%	1.00
• Tuition Fees Pre-school	51.00	N	0.00	51.00	52.50	N	0.00	52.50	3%	1.50
• Tuition Fees Adults	51.00	N	0.00	51.00	55.00	N	0.00	55.00	8%	4.00
• Tuition Fees Additional Groups	38.00	N	0.00	38.00	55.00	N	0.00	55.00	45%	17.00
• Letting of rooms (public) per hour	46.00	N	0.00	46.00	50.00	N	0.00	50.00	9%	4.00
• Letting of rooms (exam board) per day	163.00	N	0.00	163.00	170.00	N	0.00	170.00	4%	7.00
SERVICES DELIVERED IN SCHOOLS										
(Academic year charges Sepember to August annually)										
• Whole Class Instrumental Tuition WCIT	2,310.00	N	0.00	2,310.00	2370.00	N	0.00	2370.00	3%	60.00
• Ongoing Opportunities (first 30 mins)	FREE	N	0.00	FREE	0.00	N	0.00	0.00	0%	0.00
• Ongoing Opportunities (additional 30 min blocks)	966.00	N	0.00	966.00	995.00	N	0.00	995.00	3%	29.00
• Hands and Voices	1,932.00	N	0.00	1,932.00	1981.00	N	0.00	1981.00	3%	49.00
• Tune-in to Talking	1,932.00	N	0.00	1,932.00	1981.00	N	0.00	1981.00	3%	49.00
• Music Therapy	1,923.00	N	0.00	1,923.00	1981.00	N	0.00	1981.00	3%	58.00
• Pre-WCIT Class Music	1,923.00	N	0.00	1,923.00	1981.00	N	0.00	1981.00	3%	58.00
• Curriculum KS2 Class Music	1,923.00	N	0.00	1,923.00	1981.00	N	0.00	1981.00	3%	58.00
• Musical Beginnings (pre-school music classes)	1,923.00	N	0.00	1,923.00	1981.00	N	0.00	1981.00	3%	58.00
• Choir/Band/Ensemble rehearsals	1,923.00	N	0.00	1,923.00	1981.00	N	0.00	1981.00	3%	58.00
• Small Group instrumental/vocal tuition	1,923.00	N	0.00	1,923.00	1981.00	N	0.00	1981.00	3%	58.00

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SKIP LICENCE										
SKIP PERMITS										
• Registration	155.00	N	0.00	155.00	160.00	N	0.00	160.00	3.2%	5.00
• Application when registration is in place	30.00	N	0.00	30.00	31.00	N	0.00	31.00	3.3%	1.00
ANNUAL PERMISSIONS										
• Up to 100 skips	1,160.00	N	0.00	1,160.00	1188.00	N	0.00	1188.00	2.4%	28.00
• Up to 300 skips	3,460.00	N	0.00	3,460.00	3543.00	N	0.00	3543.00	2.4%	83.00
• Up to 500 skips	5,760.00	N	0.00	5,760.00	5898.00	N	0.00	5898.00	2.4%	138.00
• Over 500 - each skip thereafter	12.00	N	0.00	12.00	12.50	N	0.00	12.50	4.2%	0.50
• Retrospective application following officer visit	100.00	N	0.00	100.00	102.50	N	0.00	102.50	2.5%	2.50
SCAFFOLDING LICENCE										
• Application	70.00	N	0.00	70.00	80.00	N	0.00	80.00	14.3%	10.00
• Renewal	45.00	N	0.00	45.00	46.00	N	0.00	46.00	2.2%	1.00
• Annual Permission	1,260.00	N	0.00	1,260.00	1290.00	N	0.00	1290.00	2.4%	30.00
• Retrospective application following officer visit	100.00	N	0.00	100.00	102.00	N	0.00	102.00	2.0%	2.00
HOARDING LICENCE										
• Application	65.00	N	0.00	65.00	67.00	N	0.00	67.00	3.1%	2.00
• Renewal	45.00	N	0.00	45.00	46.00	N	0.00	46.00	2.2%	1.00
• Retrospective application following officer visit	100.00	N	0.00	100.00	102.00	N	0.00	102.00	2.0%	2.00
• Inspections of hoardings	Cost recovery +5%	N	0.00	Cost Recovery + 5%	Cost recovery +5%	N	0.00	Cost recovery +5%	0.0%	0.00
• Duplicate licences (Any Licence)	15.00	N	0.00	15.00	15.50	N	0.00	15.50	3.3%	0.50
FLEET MOT CHARGES										
• MOT of Car	45.00	N	0.00	45.00	45.00	N	0.00	45.00	0.0%	0.00
• MOT of Minibus	55.00	N	0.00	55.00	55.00	N	0.00	55.00	0.0%	0.00

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TRADE WASTE										
REFUSE COLLECTION										
• Sacks: 52 sacks (per year)	107.34	N	0.00	107.34	109.92	N	0.00	109.92	2.4%	2.58
• 140 Litre Wheeled Bins (per bin per year)	153.27	N	0.00	153.27	156.95	N	0.00	156.95	2.4%	3.68
• Second And Subsequent Bins (per bin per year)	114.29	N	0.00	114.29	117.04	N	0.00	117.04	2.4%	2.75
• 240 Litre Wheeled Bins (per bin per year)	226.25	N	0.00	226.25	231.68	N	0.00	231.68	2.4%	5.43
• Second And Subsequent Bins (per bin per year)	187.38	N	0.00	187.38	191.88	N	0.00	191.88	2.4%	4.50
• 360 Litre Wheeled Bins (per bin per year)	308.62	N	0.00	308.62	316.03	N	0.00	316.03	2.4%	7.41
• Second And Subsequent Bins (per bin per year)	274.26	N	0.00	274.26	280.84	N	0.00	280.84	2.4%	6.58
• 770 Litre Wheeled Bins (per bin per year)	651.21	N	0.00	651.21	666.84	N	0.00	666.84	2.4%	15.63
• Second And Subsequent Bins (per bin per year)	548.51	N	0.00	548.51	561.68	N	0.00	561.68	2.4%	13.17
• 1100 Litre Wheeled Bins (per bin per year)	837.39	N	0.00	837.39	857.49	N	0.00	857.49	2.4%	20.10
• Second And Subsequent Bins (per bin per year)	736.86	N	0.00	736.86	754.54	N	0.00	754.54	2.4%	17.68
• 1280 Litre Wheeled Bins (1 bin per week)	856.88	N	0.00	856.88	N/A	N	N/A	N/A	-100.0%	-856.88
• Second And Subsequent Bins (1 bin per week)	754.07	N	0.00	754.07	N/A	N	N/A	N/A	-100.0%	-754.07
RECYCLING (Trade Waste)										
• Sacks: 52 sacks (per year)	50.86	N	0.00	50.86	N/A	N	N/A	N/A	-100.0%	-50.86
• 140 Litre Wheeled Bins (per bin per year)	72.39	N	0.00	72.39	76.01	N	0.00	76.01	5.0%	3.62
• Second And Subsequent Bins (per bin per year)	53.97	N	0.00	53.97	56.67	N	0.00	56.67	5.0%	2.70
• 240 Litre Wheeled Bins (per bin per year)	106.89	N	0.00	106.89	112.23	N	0.00	112.23	5.0%	5.34
• Second And Subsequent Bins (per bin per year)	88.49	N	0.00	88.49	92.91	N	0.00	92.91	5.0%	4.42
• 360 Litre Wheeled Bins (per bin per year)	145.68	N	0.00	145.68	152.97	N	0.00	152.97	5.0%	7.29
• Second And Subsequent Bins (per bin per year)	129.61	N	0.00	129.61	136.09	N	0.00	136.09	5.0%	6.48
• 770 Litre Wheeled Bins (per bin per year)	307.73	N	0.00	307.73	323.12	N	0.00	323.12	5.0%	15.39
• Second And Subsequent Bins (per bin per year)	259.08	N	0.00	259.08	272.03	N	0.00	272.03	5.0%	12.95
• 1100 Litre Wheeled Bins (per bin per year)	395.69	N	0.00	395.69	415.47	N	0.00	415.47	5.0%	19.78
• Second And Subsequent Bins (per bin per year)	348.07	N	0.00	348.07	365.47	N	0.00	365.47	5.0%	17.40
• 1280 Litre Wheeled Bins (1 bin per week)	404.76	N	0.00	404.76	N/A	N	N/A	N/A	-100.0%	-404.76
• Second And Subsequent Bins (1 bin per week)	356.25	N	0.00	356.25	N/A	N	N/A	N/A	-100.0%	-356.25

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DOMESTIC WASTE										
REPLACEMENT BINS										
• New Wheeled Bin 140l (Refuse)	28.37	N	0.00	28.37	29.05	N	0.00	29.05	2.4%	0.68
• New Wheeled Bin 140l (Recycling)	FREE	N	0.00	FREE	FREE	N	0.00	FREE	0%	0.00
• New Wheeled Bin 240l (Refuse)	31.52	N	0.00	31.52	32.28	N	0.00	32.28	2.4%	0.76
• New Wheeled Bin 240l (Recycling)	FREE	N	0.00	FREE	FREE	N	0.00	FREE	0%	0.00
• New Wheeled Bin 360l (Refuse) Standard	N/A	N	N/A	N/A	58.88	N	0.00	58.88	100%	58.88
• New Wheeled Bin 360l (Refuse) Lockable	N/A	N	N/A	N/A	77.89	N	0.00	77.89	100%	77.89
• New Wheeled Bin 360l (Recycling) Standard & Lockable	N/A	N	N/A	N/A	FREE	N	0.00	FREE	0%	0.00
• New Wheeled Bin 770l (Refuse)	N/A	N	N/A	N/A	299.39	N	0.00	299.39	100%	299.39
• New Wheeled Bin 770l (Recycling)	N/A	N	N/A	N/A	FREE	N	0.00	FREE	0%	0.00
• New Wheeled Bin 1100l (Refuse)	N/A	N	N/A	N/A	308.22	N	0.00	308.22	100%	308.22
• New Wheeled Bin 110l (Recycling)	N/A	N	N/A	N/A	FREE	N	0.00	FREE	0%	0.00
• Reconditioned Wheeled Bin 140l (Refuse)	14.71	N	0.00	14.71	15.06	N	0.00	15.06	2.4%	0.35
• Reconditioned Wheeled Bin 140l (Recycling)	FREE	N	0.00	FREE	FREE	N	0.00	FREE	0%	0.00
• Reconditioned Wheeled Bin 240l (Refuse)	18.91	N	0.00	18.91	19.37	N	0.00	19.37	2.4%	0.46
• Reconditioned Wheeled Bin 240l (Recycling)	FREE	N	0.00	FREE	FREE	N	0.00	FREE	0%	0.00
• Delivery Charge for all Bin Delivery	FREE	N	0.00	FREE	N/A	N	N/A	N/A	0.0%	0.00
BULKY ITEM COLLECTION										
• Upto 3 bulky items (additional charge for white goods below)	18.00	N	0.00	18.00	18.60	N	0.00	18.60	3%	0.60
• Fee per additional bulky item thereafter	8.50	N	0.00	8.50	6.20	N	0.00	6.20	-27%	-2.30
• Additional charge per item (white goods only)	10.00	N	0.00	10.00	10.00	N	0.00	10.00	0%	0.00
• One free collection per year for residents on the Council's assist list	FREE	N	0.00	FREE	FREE	N	0.00	FREE	0%	0.00
WASTE ADMINISTRATION CHARGES										
• Redelivery of bin after suspension (trade waste)	N/A	N/A	N/A	N/A	30.00	N	0.00	30.00	100%	30.00
• Reducing contract (trade waste)	N/A	N/A	N/A	N/A	30.00	N	0.00	30.00	100%	30.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
TRAFFIC AND HIGHWAYS										
• Construction under the Highway	541.01	N	0.00	541.01	554.00	N	0.00	554.00	2.4%	12.99
• Access to cellars	541.01	N	0.00	541.01	554.00	N	0.00	554.00	2.4%	12.99
• Cellar lights	541.01	N	0.00	541.01	554.00	N	0.00	554.00	2.4%	12.99
HIGHWAYS										
• Placing material on	64.00	N	0.00	64.00	65.50	N	0.00	65.50	2.3%	1.50
• Excavation of	230.00	N	0.00	230.00	235.50	N	0.00	235.50	2.4%	5.50
• Application for pavement café licence	178.50	N	0.00	178.50	183.00	N	0.00	183.00	2.5%	4.50
• Renewal of above	100.00	N	0.00	100.00	102.50	N	0.00	102.50	2.5%	2.50
VEHICLE CROSSINGS										
• Light Duty	Individual estimates based on measured work at 2018/19 prices	N	0.00	Individual estimates based on measured work at 2018/19 prices	Individual estimates based on measured work at 2019/20 prices	N	0.00	Individual estimates based on measured work at 2019/20 prices	0.0%	0.00
• Heavy Duty	As above	N	0.00	As above	As above	N	0.00	As above		
• Heavy Duty (Supervision only)	837.50	Y	167.50	1,005.00	858.00	Y	171.60	1029.60	2.4%	20.50
• Removal of accident debris	Cost Recovery + 152.00 Admin	N	0.00	Cost Recovery + £152.00 Admin	Cost Recovery + £156 Admin	N	0.00	Cost Recovery + £156 Admin	0.0%	0.00
• Variation of a parking place order	Cost Recovery + 12.5%	N	0.00	Cost Recovery + 12.5%	Cost Recovery + 12.5%	N	0.00	Cost Recovery + 12.5%	0.0%	0.00
• Exemption from or variation to a traffic regulation order	As above	N	0.00	As above	As above	N	0.00	As above	0.0%	0.00
TEMPORARY TRAFFIC ORDERS										
• Temporary (plus cost of advertising)	1,575.00	N	0.00	1,575.00	1613.00	N	0.00	1613.00	2.4%	38.00
• Emergency Road Closures	815.00	N	0.00	815.00	835.00	N	0.00	835.00	2.5%	20.00
• Temporary Traffic Regulation Notice	815.00	N	0.00	815.00	835.00	N	0.00	835.00	2.5%	20.00
• Special events on the Highway	Cost Recovery + 12.5%	N	0.00	Cost Recovery + 12.5%	Cost Recovery + 12.5%	N	0.00	Cost Recovery + 12.5%	0.0%	0.00

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SUSPENSION OF PARKING PLACES										
• Parking Budget	Loss of Income + Cost Recovery + 12.5%	N	0.00	Loss of Income + Cost Recovery +12.5%	Loss of Income + Cost Recovery + 12.5%	N	0.00	Loss of Income + Cost Recovery +12.5%	0.0%	0.00
PERMIT TO ERECT NON-STANDARD DIRECTION SIGNS										
• Consideration of request	218.48	N	0.00	218.48	224.00	N	0.00	224.00	2.5%	5.52
• Erection of signs	Cost Recovery + 12.5%	N	0.00	Cost Recovery + 12.5%	Cost Recovery + 12.5%	N	0.00	Cost Recovery + 12.5%	0.0%	0.00
• Removal of signs	112.20	N	0.00	112.20	115.00	N	0.00	115.00	2.5%	2.80
• Court fees associated with the above	Included in the above	N/A	N/A	Included in the above	Included in the above	N/A	N/A	Included in the above	0.0%	0.00
PERMITS GIVING EXEMPTION TO TRAFFIC ORDERS										
• Per month	36.41	N	0.00	36.41	37.50	N	0.00	37.50	3.0%	1.09
• Per three months	114.44	N	0.00	114.44	117.00	N	0.00	117.00	2.2%	2.56
• Per twelve months	421.36	N	0.00	421.36	431.50	N	0.00	431.50	2.4%	10.14
ACCESS PROTECTION MARKING										
• Fee for application	55.00	N	0.00	55.00	55.00	N	0.00	55.00	0.0%	0.00
• Fee for implementation of application	110.00	N	0.00	110.00	110.00	N	0.00	110.00	0.0%	0.00
SECTION 50 ROAD OPENING LICENCE										
• Maintain existing apparatus	425.00	N	0.00	425.00	435.00	N	0.00	435.00	2.4%	10.00
• Install new service (Initial cost)	850.00	N	0.00	850.00	870.00	N	0.00	870.00	2.4%	20.00
• Install new service (Per additional 200 meters)	290.00	N	0.00	290.00	297.00	N	0.00	297.00	2.4%	7.00
• New Development (Initial cost)	1,850.00	N	0.00	1,850.00	1894.00	N	0.00	1894.00	2.4%	44.00
• New Development (Per additional 200 meters)	340.00	N	0.00	340.00	348.00	N	0.00	348.00	2.4%	8.00

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SEWER CONNECTIONS										
• Junction : normal working hours	Cost estimate provided at 2018/19 prices + 20%	Y	Based on individual quoted cost	Cost estimate provided at 2018/19 prices + 20%	Cost estimate provided at 2019/20 prices + 20%	Y	Based on individual quoted cost	Cost estimate provided at 2019/20 prices + 20%	0.0%	0.00
• Junction: outside working hours	As above	Y	As above	As above	As above	Y	As above	As above	0.0%	0.00
• Manhole construction	As above	Y	As above	As above	As above	Y	As above	As above	0.0%	0.00
SEARCHES BY LETTER	See below	N	0.00	See below	See below	N	0.00	See below	0.0%	0.00
• First 5 questions	66.00	N	0.00	66.00	68.00	N	0.00	68.00	3.0%	2.00
• Per question after	16.00	N	0.00	16.00	16.50	N	0.00	16.50	3.1%	0.50
ACCESS PROTECTION MARKING										
• Fee for application	55.00	N	0.00	55.00	56.50	N	0.00	56.50	2.7%	1.50
• Fee for implementation of application	110.00	N	0.00	110.00	113.00	N	0.00	113.00	2.7%	3.00
ROAD CLOSURE : STOPPING UP ORDERS										
• Stopping up orders (including court fees)	2,550.00	N	0.00	2,550.00	2611.00	N	0.00	2611.00	2.4%	61.00
SECTION 38 AND SECTION 278										
ADOPTION FEE - BOND										
• £0 - £49k (Charge as % bond value)	9.0%	N	0.00	8.5%	9%	N	0.00	9%	0.0%	0.00
• £50k - £100k bond value	9.0%	N	0.00	8.5%	9%	N	0.00	9%	0.0%	0.00
• £100k < bond value	9.0%	N	0.00	8.5%	9%	N	0.00	9%	0.0%	0.00
ADOPTION FEE										
• Adoption Fee - minimum charge	2,450.00	N	0.00	2,450.00	2700.00	N	0.00	2700.00	10.2%	250.00
Note : Whichever is the greatest of the above applies										
STREET NAMING										
• Street Naming	250.00	N	0.00	250.00	256.00	N	0.00	256.00	2.4%	6.00

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HIGHWAY LICENCE ENFORCEMENT VISIT										
Highway Licence Enforcement Visit	99.50	N	0.00	99.50	102.00	N	0.00	102.00	2.5%	2.50
INVESTIGATION WORK FOR SOLICITORS, INSURANCE AND OTHER PROFESSIONAL SERVICES										
• First Hour	50.00	N	0.00	50.00	51.50	N	0.00	51.50	3.0%	1.50
• Each subsequent hour or part thereof	35.00	N	0.00	35.00	36.00	N	0.00	36.00	2.9%	1.00
• Not for profit or public sector organisations (such as police, law enforcement and fraud investigations)	FREE	N	0.00	FREE	FREE	N	0.00	FREE	0.0%	0.00
LANDOWNER DEPOSIT										
Deposit a Map, Landowner Statement & Statutory Declaration Under S31(6) of the Highways Act 1980	N/A	N/A	N/A	N/A	350.00	N	0.00	350.00	100%	350.00
Deposit a Map and Landowner Statement under S15A of the Commons Act 2006	N/A	N/A	N/A	N/A	350.00	N	0.00	350.00	100%	350.00
ENVIRONMENTAL INFORMATION REGULATIONS (EIR)										
Requests for Information Included in the Environmental Information Regulations 2004 (per hour)	N/A	N/A	N/A	N/A	25.00	N	0.00	25.00	100%	25.00

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REGISTRARS, BIRTHS, DEATHS AND MARRIAGE DUTIES										
NATIONALITY CHECKING SERVICE										
• Adult application	47.50	Y	9.50	57.00	N/A	N/A	N/A	N/A	-100%	-57.00
• Child application	25.00	Y	5.00	30.00	N/A	N/A	N/A	N/A	-100%	-30.00
• NCS application	1.67	Y	0.33	2.00	N/A	N/A	N/A	N/A	-100%	-2.00
• European Passport Returns Service	N/A	N/A	N/A	N/A	10.00	Y	2.00	12.00	100%	10.00
For applicants requiring assistance in completing application forms, fees will be doubled.										
SETTLEMENT SERVICE CHECKING										
• One Adult applying on SET(M) form	87.50	Y	17.50	105.00	N/A	Y	N/A	N/A	-100%	-105.00
• Each dependent included on form	16.67	Y	3.33	20.00	N/A	Y	N/A	N/A	-100%	-20.00
OPTIONAL SAME DAY CERTIFICATE SERVICE (24 hrs)	8.00	N	0.00	8.00	35.00	N	0.00	35.00	338%	27.00
• Room Hire (Green Room) per half day	45.00	N	0.00	45.00	45.00	N	0.00	45.00	0%	0.00
CERTIFICATES										
• Birth, Death, Marriage, Civil Partnership - Issued on day	4.00	N	0.00	4.00	11.00	N	0.00	11.00	175%	7.00
• Birth, Death, Marriage, Civil Partnership - Issued subsequently	7.00	N	0.00	7.00	N/A	N	0.00	N/A	-100%	-7.00
• Birth, Death, Marriage, Civil Partnership - Historic	10.00	N	0.00	10.00	N/A	N	0.00	N/A	-100%	-10.00
NOTICE OF MARRIAGE OR CIVIL PARTNERSHIP										
• Notice of Marriage or Civil Partnership	35.00	N	0.00	35.00	35.00	N	0.00	35.00	0%	0.00
OTHER FEES										
• Locally authorised corrections on birth, marriage or death registration form	N/A	N/A	N/A	N/A	75.00	N	0.00	75.00	100%	75.00
• Corrections on birth, marriage or death registration forms requiring GRO authorisation	N/A	N/A	N/A	N/A	90.00	N	0.00	90.00	100%	90.00
• Changing birth name within the first 12 months	N/A	N/A	N/A	N/A	40.00	N	0.00	40.00	100%	40.00
• Local clearance of foreign divorce	N/A	N/A	N/A	N/A	50.00	N	0.00	50.00	100%	50.00
• GRO clearance of foreign divorce	N/A	N/A	N/A	N/A	75.00	N	0.00	75.00	100%	75.00
• Application for waiver of statutory waiting period for marriage	N/A	N/A	N/A	N/A	60.00	N	0.00	60.00	100%	60.00

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WEDDING AND FUNERALS AT EXTERNAL VENUES										
REGISTRAR FEES FOR WEDDINGS										
• Monday to Thursday	361.00	N	0.00	361.00	N/A	N/A	N/A	N/A	-100%	-361.00
• Tuesday to Thursday	N/A	N/A	N/A	N/A	365.00	N	0.00	365.00	100%	366.00
• Fridays and Saturdays	375.00	N	0.00	375.00	381.00	N	0.00	381.00	2%	6.00
• Sundays and Bank Holidays	421.00	N	0.00	421.00	431.00	N	0.00	431.00	2%	10.00
REGISTRAR FEES FOR CIVIL FUNERALS										
• Civil Funeral	130.00	N	0.00	130.00	135.00	N	0.00	135.00	4%	5.00
• Civil Funeral for Still Births	0.00	N	0.00	0.00	0.00	N	0.00	0.00	0%	0.00
PROVISIONAL BOOKING FEE										
• Non refundable deposit for all provisional bookings for ceremonies	30.00	N	0.00	30.00	35.00	N	0.00	35.00	17%	5.00
REGISTER OFFICE CEREMONIES AT CHADDERTON TOWN HALL										
WEDDINGS / CIVIL CEREMONIES TUESDAY - THURSDAY										
• Register Office (party max 6)	46.00	N	0.00	46.00	46.00	N	0.00	46.00	0%	0.00
• Chadderton Town Hall - Green Room (max 20)	110.00	N	0.00	110.00	116.00	N	0.00	116.00	5%	6.00
• Chadderton Town Hall - Oak Room (max 100)	175.00	N	0.00	175.00	181.00	N	0.00	181.00	3%	6.00
• Champagne Toast - Register Office (per person)	6.50	N	0.00	6.50	6.50	Y	1.30	7.80	0%	0.00
FRIDAYS										
• Weddings at Chadderton Town Hall - Green or Oak Room	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0.00
• Civil Partnerships at Chadderton Town Hall - Green or Oak Room	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0.00
WEDDINGS / CIVIL CEREMONIES FRIDAY & SATURDAY (AM)										
• Green Room (party max 20) Chadderton Town Hall	126.00	N	0.00	126.00	131.00	N	0.00	131.00	4%	5.00
• Oak Room – Former Council Chamber (party max 100) Chadderton Town Hall	196.00	N	0.00	196.00	206.00	N	0.00	206.00	5%	10.00

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WEDDINGS / CIVIL CEREMONIES SATURDAY (PM)										
• Weddings at Chadderton Town Hall - Green or Oak Room	425.00	N	0.00	425.00	381.00	N	0.00	381.00	-10%	-44.00
• Civil Partnerships at Chadderton Town Hall - Green or Oak Room	425.00	N	0.00	425.00	381.00	N	0.00	381.00	-10%	-44.00
WEDDINGS / CIVIL CEREMONIES SUNDAYS AND BANK HOLIDAYS										
• Weddings at Chadderton Town Hall - Green or Oak Room	421.00	N	0.00	421.00	431.00	N	0.00	431.00	2%	10.00
• Civil Partnerships at Chadderton Town Hall - Green or Oak Room	421.00	N	0.00	421.00	431.00	N	0.00	431.00	2%	10.00
BABY NAMING CEREMONIES										
• Tuesday – Saturday am at Chadderton Town Hall	133.33	Y	26.67	160.00	141.66	Y	28.33	169.99	6%	8.33
• Saturday pm, Sundays and Bank Holidays or External Venues	175.00	Y	35.00	210.00	183.33	Y	36.67	220.00	5%	8.33
• Sundays and Bank Holidays	237.50	Y	47.50	285.00	241.66	Y	48.33	289.99	2%	4.16
REAFFIRMATION OF VOWS										
• Tuesday – Saturday am at Chadderton Town Hall	133.33	Y	26.67	160.00	141.66	Y	28.33	169.99	6%	8.33
• Saturday pm or External Venues	175.00	Y	35.00	210.00	183.33	Y	36.67	220.00	5%	8.33
• Sundays and Bank Holidays	237.50	Y	47.50	285.00	241.66	Y	48.33	289.99	2%	4.16
NON - LEGAL PACKAGE										
• Tuesday – Saturday	N/A	Y	N/A	N/A	416.67	Y	83.33	500.00	100%	416.67
• Sundays and Bank Holidays	N/A	Y	N/A	N/A	500.00	Y	100.00	600.00	100%	500.00
CITIZENSHIP CEREMONIES										
• Individual Citizenship Ceremonies	85.00	N	0.00	85.00	88.00	N	0.00	88.00	4%	3.00
• Public Citizenship Ceremonies	85.00	N	0.00	85.00	85.00	N	0.00	85.00	0%	0.00

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FOOD SAFETY / HEALTH EDUCATION										
EXPORT CERTIFICATION										
• Standard Fee	60.00	N	0.00	60.00	61.00	N	0.00	61.00	2%	1.00
• With Samples Taken	120.00	N	0.00	120.00	122.00	N	0.00	122.00	2%	2.00
• Testing, Analysis and Risk Assessment of Private Water Supplies (per hour)	48.00	N	0.00	48.00	49.00	N	0.00	49.00	2%	1.00
• Investigation (per investigation)	105.00	N	0.00	105.00	100.00	N	0.00	100.00	-5%	-5.00
• Granting an authorisation (per investigation)	105.00	N	0.00	105.00	100.00	N	0.00	100.00	-5%	-5.00
• Food safety re- inspection visit	165.00	N	0.00	165.00	169.00	N	0.00	169.00	2%	4.00
• Advisory visit charge per hour	80.00	N	0.00	80.00	81.50	N	0.00	81.50	2%	1.50
FOOD HYGIENE TRAINING RSPH										
• Level 1 Award in Food Hygiene Awareness	20.83	Y	4.17	25.00	22.50	Y	4.50	27.00	8%	1.67
• Level 2 Award in Food Safety in Catering	37.50	Y	7.50	45.00	40.00	Y	8.00	48.00	7%	2.50
• Level 2 Award in Identifying and Controlling Food Allergy Risks	37.50	Y	7.50	45.00	40.00	Y	8.00	48.00	7%	2.50
• Level 2 Award in Food Safety and Hygiene	37.50	Y	7.50	45.00	40.00	Y	8.00	48.00	7%	2.50
• Level 2 Award in Food Safety Manufacturing	50.00	Y	10.00	60.00	52.50	Y	10.50	63.00	5%	2.50
FOOD SAFETY STAFF										
• Charge for each 30 minutes or part thereof of staff time	N/A	N/A	N/A	N/A	50.00	N	0.00	50.00	100%	50.00

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ENVIRONMENTAL HEALTH										
Application fee for a permit for an installation. Part B activity or solvent emission activity (fee payable for each activity)										
• Any Part 1 reduced fee activity (other than those in items II and vehicle refinishers)	N/A	N/A	N/A	N/A	155.00	N	0.00	155.00	100%	155.00
• PVR 1 and PVR II activities carried on at the same service station	N/A	N/A	N/A	N/A	257.00	N	0.00	257.00	100%	257.00
• Vehicle refinishers (b), any Part 2, Part 3 or Part 4 reduced fee activity	N/A	N/A	N/A	N/A	362.00	N	0.00	362.00	100%	362.00
• Any other Part B activity or any other solvent emission activity	N/A	N/A	N/A	N/A	1650.00	N	0.00	1650.00	100%	1,650.00
Application fee for grant of a permit for mobile plant (Fee payable for each permit to operate mobile plant)										
• 1st & 2nd Permit	N/A	N/A	N/A	N/A	1650.00	N	0.00	1650.00	100%	1,650.00
• 3rd – 7th Permit	N/A	N/A	N/A	N/A	985.00	N	0.00	985.00	100%	985.00
• 8th and subsequent permits	N/A	N/A	N/A	N/A	498.00	N	0.00	498.00	100%	498.00
Additional fees for a late application for an installation										
• Reduced fee activity	N/A	N/A	N/A	N/A	71.00	N	0.00	71.00	100%	71.00
• Any other Part B activity or any other solvent emission activity	N/A	N/A	N/A	N/A	1188.00	N	0.00	1188.00	100%	1,188.00
Additional fees for a late application for a mobile	N/A	N/A	N/A	N/A	1188.00	N	0.00	1188.00	100%	1,188.00
Fee for substantial change variation of permit										
• Reduced fee activity	N/A	N/A	N/A	N/A	102.00	N	0.00	102.00	100%	102.00
• Any other Part B activity or any other solvent emission activity	N/A	N/A	N/A	N/A	1050.00	N	0.00	1050.00	100%	1,050.00
• Substantial change in the operation of an installation for a Part B activity or solvent emission activity	N/A	N/A	N/A	N/A	1650.00	N	0.00	1650.00	100%	1,650.00

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
Transfer of a Permit										
• Partial transfer (no fee for total transfer) for a reduced fee activity	N/A	N/A	N/A	N/A	47.00	N	0.00	47.00	100%	47.00
• Partial transfer, £169 for a total transfer for any other part B activity or any other solvent emission activity	N/A	N/A	N/A	N/A	497.00	N	0.00	497.00	100%	497.00
• Part B mobile plant for fixed period of hire	N/A	N/A	N/A	N/A	53.00	N	0.00	53.00	100%	53.00
• Subsequent applications if plant user, operator and authority different	N/A	N/A	N/A	N/A	53.00	N	0.00	53.00	100%	53.00
Subsistence Annual Charge for Installations										
Low Risk										
• Any part 1 reduced fee activity (other than those in items II and vehicle refinishers)	N/A	N/A	N/A	N/A	79.00	N	0.00	79.00	100%	79.00
• PVR I and PVR II activities carried on at the same service station	N/A	N/A	N/A	N/A	113.00	N	0.00	113.00	100%	113.00
• Vehicle refinishers (b), any Part 2, Part 3 or Part 4 reduced fee activity	N/A	N/A	N/A	N/A	228.00	N	0.00	228.00	100%	228.00
• Any other Part B activity or any other solvent emission activity	N/A	N/A	N/A	N/A	772.00	N	0.00	772.00	100%	772.00
Medium Risk										
• Any part 1 reduced fee activity (other than those in items II and vehicle refinishers)	N/A	N/A	N/A	N/A	158.00	N	0.00	158.00	100%	158.00
• PVR I and PVR II activities carried on at the same service station	N/A	N/A	N/A	N/A	226.00	N	0.00	226.00	100%	226.00
• Vehicle refinishers (b), any Part 2, Part 3 or Part 4 reduced fee activity	N/A	N/A	N/A	N/A	365.00	N	0.00	365.00	100%	365.00
• Any other Part B activity or any other solvent emission activity	N/A	N/A	N/A	N/A	1161.00	N	0.00	1161.00	100%	1,161.00
High Risk										
• Any part 1 reduced fee activity (other than those in items II and vehicle refinishers)	N/A	N/A	N/A	N/A	237.00	N	0.00	237.00	100%	237.00
• PVR I and PVR II activities carried on at the same service station	N/A	N/A	N/A	N/A	341.00	N	0.00	341.00	100%	341.00
• Vehicle refinishers (b), any Part 2, Part 3 or Part 4 reduced fee activity	N/A	N/A	N/A	N/A	548.00	N	0.00	548.00	100%	548.00
• Any other Part B activity or any other solvent emission activity	N/A	N/A	N/A	N/A	1747.00	N	0.00	1747.00	100%	1,747.00

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
Subsistence Annual Charge for installations										
Low Risk										
• 1st & 2nd Permit	N/A	N/A	N/A	N/A	626.00	N	0.00	626.00	100%	626.00
• 3rd – 7th Permit	N/A	N/A	N/A	N/A	385.00	N	0.00	385.00	100%	385.00
• 8th and subsequent permits	N/A	N/A	N/A	N/A	198.00	N	0.00	198.00	100%	198.00
Medium Risk										
• 1st & 2nd Permit	N/A	N/A	N/A	N/A	1034.00	N	0.00	1034.00	100%	1,034.00
• 3rd – 7th Permit	N/A	N/A	N/A	N/A	617.00	N	0.00	617.00	100%	617.00
• 8th and subsequent permits	N/A	N/A	N/A	N/A	314.00	N	0.00	314.00	100%	314.00
High Risk										
• 1st & 2nd Permit	N/A	N/A	N/A	N/A	1551.00	N	0.00	1551.00	100%	1,551.00
• 3rd – 7th Permit	N/A	N/A	N/A	N/A	924.00	N	0.00	924.00	100%	924.00
• 8th and subsequent permits	N/A	N/A	N/A	N/A	473.00	N	0.00	473.00	100%	473.00
• Late Payment Charge	N/A	N/A	N/A	N/A	52.00	N	0.00	52.00	100%	52.00
HEALTH & SAFETY										
• Charge for each 30 minutes or part thereof of staff time	56.00	N	0.00	56.00	50.00	N	0.00	50.00	-11%	-6.00
CHARGES FOR PHOTOCOPYING										
• Per Sheet	0.10	N	0.00	0.10	N/A	N/A	N/A	N/A	-100%	-0.10
• Provision of information to third parties in connection with investigations carried out under Health and Safety legislation	218.00	N	0.00	218.00	N/A	N/A	N/A	N/A	-100%	-218%
COSMETIC PIERCING, TATTOOING, ACUPUNCTURE & ELECTROLYSIS										
• Registration fee per application	110.00	N	0.00	110.00	112.00	N	0.00	112.00	2%	2.00
• Registration fee per individual	64.00	N	0.00	64.00	65.00	N	0.00	65.00	2%	1.00

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
NEIGHBOURHOOD ENFORCEMENT										
ENVIRONMENTAL INFORMATION & REGULATIONS										
• Charge for each 30 minutes, or part thereof, of staff time	57.00	N	0.00	57.00	50.00	N	0.00	50.00	-12%	-7.00
CHARGES FOR PHOTOCOPYING:										
• Per sheet	0.10	N	0.00	0.10	N/A	N/A	N/A	N/A	-100%	-0.10
• 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	22.00	N	0.00	22.00	22.50	N	0.00	22.50	2%	0.50
HOUSING										
SELECTIVE LICENSING	490.00	N	0.00	490.00	490.00	N	0.00	490.00	0%	0.00
HOUSES IN MULTIPLE OCCUPATION LICENCE FEE										
• Licence application fee for 5 bedroom HMO	N/A	N/A	N/A	N/A	588.00	N	0.00	588.00	100%	588.00
• Additional charge per additional bedroom	N/A	N/A	N/A	N/A	25.00	N	0.00	25.00	100%	25.00
• Compliance and enforcement fee	N/A	N/A	N/A	N/A	266.67	N	0.00	266.67	100%	266.67
PUBLIC HEALTH										
CONTAMINATED LAND INVESTIGATION										
• Provision of information from files	112.00	N	0.00	112.00	114.00	N	0.00	114.00	2%	2.00
• File/record search	228.00	N	0.00	228.00	233.00	N	0.00	233.00	2%	5.00
• Monitoring/Sampling on a time and materials charge	At cost	Y	0.00	At cost	At cost	Y	0.00	At cost	N/A	N/A

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
ANIMAL HEALTH LICENCES										
Selling Animals										
• Pet shop licence	107.00	N	0.00	107.00	N/A	N/A	N/A	N/A	-100%	-107.00
• Selling animals as pets application fee	306.00	N	0.00	306.00	306.00 (£261.00 renewal)	N	0.00	306.00 (£261.00 renewal)	0%	0.00
• Selling animals as pets grant fee - 1 year	213.00 (£168.00 renewal)	N	0.00	213.00	213.00 (£168.00 renewal)	N	0.00	213.00 (£168.00 renewal)	0%	0.00
• Selling animals as pets grant fee - 2 years	264.00 (£219.00 renewal)	N	0.00	264.00	264.00 (£219.00 renewal)	N	0.00	264.00 (£219.00 renewal)	0%	0.00
• Selling animals as pets grant fee - 3 years	315.00 (£270.00 renewal)	N	0.00	315.00	315.00 (£270.00 renewal)	N	0.00	315.00 (£270.00 renewal)	0%	0.00
• Selling animals as pets variation fee (per hour)	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00
Animal Boarding										
• Animal boarding establishments licence	128.00	N	0.00	128.00	N/A	N/A	N/A	N/A	-100%	-128.00
• Animal boarding - Home boarding licence application fee	199.00 (£186.00 renewal)	N	0.00	199.00 (£186.00 renewal)	199.00 (£186.00 renewal)	N	0.00	199.00 (£186.00 renewal)	0%	0.00
• Animal boarding - Home boarding licence grant fee - 1 year	144.00 (£131.00 renewal)	N	0.00	144.00 (£131.00 renewal)	144.00 (£131.00 renewal)	N	0.00	144.00 (£131.00 renewal)	0%	0.00
• Animal boarding - Home boarding licence grant fee - 2 years	195.00 (£182.00 renewal)	N	0.00	195.00 (£182.00 renewal)	195.00 (£182.00 renewal)	N	0.00	195.00 (£182.00 renewal)	0%	0.00
• Animal boarding - Home boarding licence grant fee - 3 years	246.00 (£233.00 renewal)	N	0.00	246.00 (£233.00 renewal)	246.00 (£233.00 renewal)	N	0.00	246.00 (£233.00 renewal)	0%	0.00
• Animal boarding - Home boarding licence variation fee (per hour)	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00
• Boarding of cats *or* dogs - Application fee <10 animals	305.00 (£236.00 renewal)	N	0.00	305.00 (£236.00 renewal)	305.00 (£236.00 renewal)	N	0.00	305.00 (£236.00 renewal)	0%	0.00
• Boarding of cats *or* dogs - Application fee 10 - 29 animals	330.00 (£261.00 renewal)	N	0.00	330.00 (£261.00 renewal)	330.00 (£261.00 renewal)	N	0.00	330.00 (£261.00 renewal)	0%	0.00

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
• Boarding of cats *or* dogs - Application fee >30 animals	355.00 (£286.00 renewal)	N	0.00	355.00 (£286.00 renewal)	355.00 (£286.00 renewal)	N	0.00	355.00 (£286.00 renewal)	0%	0.00
• Boarding of cats *or* dogs - Application fee >60 animals	380.00 (£311.00 renewal)	N	0.00	380.00 (£311.00 renewal)	380.00 (£311.00 renewal)	N	0.00	380.00 (£311.00 renewal)	0%	0.00
• Boarding of cats *or* dogs - Grant fee <10 animals	225.00 (£156.00 renewal)	N	0.00	225.00 (£156.00 renewal)	N/A	N/A	N/A	N/A	-100%	-225.00
• Boarding of cats *or* dogs - Grant fee 10 - 29 animals	337.00 (£268.00 renewal)	N	0.00	337.00 (£268.00 renewal)	N/A	N/A	N/A	N/A	-100%	-337.00
• Boarding of cats *or* dogs - Grant fee >30 animals	375.00 (£306.00 renewal)	N	0.00	375.00 (£306.00 renewal)	N/A	N/A	N/A	N/A	-100%	-375.00
• Boarding of cats *or* dogs - Grant fee >60 animals	412.00 (£343.00 renewal)	N	0.00	412.00 (£343.00 renewal)	N/A	N/A	N/A	N/A	-100%	-412.00
• Boarding of cats *or* dogs - Grant fee 1 Year <10 animals	N/A	N/A	N/A	N/A	225.00 (£156.00 renewal)	N	0.00	225.00 (£156.00 renewal)	-100%	225.00
• Boarding of cats *or* dogs - Grant fee 1 Year 10 - 29 animals	N/A	N/A	N/A	N/A	337.00 (£268.00 renewal)	N	0.00	337.00 (£268.00 renewal)	-100%	337.00
• Boarding of cats *or* dogs - Grant fee 1 Year >30 animals	N/A	N/A	N/A	N/A	375.00 (£306.00 renewal)	N	0.00	375.00 (£306.00 renewal)	-100%	375.00
• Boarding of cats *or* dogs - Grant fee 1 Year >60 animals	N/A	N/A	N/A	N/A	412.00 (£343.00 renewal)	N	0.00	412.00 (£343.00 renewal)	-100%	412.00
• Boarding of cats *or* dogs - Grant fee 2 Year <10 animals	N/A	N/A	N/A	N/A	276.00 (£207.00 renewal)	N	0.00	276.00 (£207.00 renewal)	-100%	276.00
• Boarding of cats *or* dogs - Grant fee 2 Year 10 - 29 animals	N/A	N/A	N/A	N/A	388.00 (£319.00 renewal)	N	0.00	388.00 (£319.00 renewal)	-100%	388.00
• Boarding of cats *or* dogs - Grant fee 2 Year >30 animals	N/A	N/A	N/A	N/A	426.00 (£357.00 renewal)	N	0.00	426.00 (£357.00 renewal)	-100%	426.00
• Boarding of cats *or* dogs - Grant fee 2 Year >60 animals	N/A	N/A	N/A	N/A	463.00 (£394.00 renewal)	N	0.00	463.00 (£394.00 renewal)	-100%	463.00

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• Boarding of cats *or* dogs - Grant fee 3 Year <10 animals	N/A	N/A	N/A	N/A	327.00 (£258.00 renewal)	N	0.00	327.00 (£258.00 renewal)	-100%	327.00
• Boarding of cats *or* dogs - Grant fee 3 Year 10 - 29 animals	N/A	N/A	N/A	N/A	439.00 (£370.00 renewal)	N	0.00	439.00 (£370.00 renewal)	-100%	439.00
• Boarding of cats *or* dogs - Grant fee 3 Year >30 animals	N/A	N/A	N/A	N/A	477.00 (£408.00 renewal)	N	0.00	477.00 (£408.00 renewal)	-100%	477.00
• Boarding of cats *or* dogs - Grant fee 3 Year >60 animals	N/A	N/A	N/A	N/A	514.00 (£445.00 renewal)	N	0.00	514.00 (£445.00 renewal)	-100%	514.00
• Boarding of cats *or* dogs - Variation fee (per hour)	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00
• Boarding of cats *and* dogs - Application fee <10 animals	355.00 (£286.00 renewal)	N	0.00	355.00 (£286.00 renewal)	355.00 (£286.00 renewal)	N	0.00	355.00 (£286.00 renewal)	0%	0.00
• Boarding of cats *and* dogs - Application fee 10 - 29 animals	380.00 (£311.00 renewal)	N	0.00	380.00 (£311.00 renewal)	380.00 (£311.00 renewal)	N	0.00	380.00 (£311.00 renewal)	0%	0.00
• Boarding of cats *and* dogs - Application fee >30 animals	405.00 (£336.00 renewal)	N	0.00	405.00 (£336.00 renewal)	405.00 (£336.00 renewal)	N	0.00	405.00 (£336.00 renewal)	0%	0.00
• Boarding of cats *and* dogs - Application fee >60 animals	430.00 (£361.00 renewal)	N	0.00	430.00 (£361.00 renewal)	430.00 (£361.00 renewal)	N	0.00	430.00 (£361.00 renewal)	0%	0.00
• Boarding of cats *and* dogs - Grant fee <10 animals	250.00 (£181.00 renewal)	N	0.00	250.00 (£181.00 renewal)	N/A	N/A	N/A	N/A	-100%	-250.00
• Boarding of cats *and* dogs - Grant fee 10 - 29 animals	262.00 (£193.00 renewal)	N	0.00	262.00 (£193.00 renewal)	N/A	N/A	N/A	N/A	-100%	-262.00
• Boarding of cats *and* dogs - Grant fee >30 animals	275.00 (£206.00 renewal)	N	0.00	275.00 (£206.00 renewal)	N/A	N/A	N/A	N/A	-100%	-275.00
• Boarding of cats *and* dogs - Grant fee >60 animals	289.00 (£220.00 renewal)	N	0.00	289.00 (£220.00 renewal)	N/A	N/A	N/A	N/A	-100%	-289.00
• Boarding of cats *and* dogs - Grant fee 1 Year <10 animals	N/A	N/A	N/A	N/A	250.00 (£181.00 renewal)	N	0.00	250.00 (£181.00 renewal)	100%	250.00

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• Boarding of cats *and* dogs - Grant fee 1 Year 10 - 29 animals	N/A	N/A	N/A	N/A	262.00 (£193.00 renewal)	N	0.00	262.00 (£193.00 renewal)	100%	262.00
• Boarding of cats *and* dogs - Grant fee 1 Year >30 animals	N/A	N/A	N/A	N/A	275.00 (£206.00 renewal)	N	0.00	275.00 (£206.00 renewal)	100%	275.00
• Boarding of cats *and* dogs - Grant fee 1 Year >60 animals	N/A	N/A	N/A	N/A	289.00 (£220.00 renewal)	N	0.00	289.00 (£220.00 renewal)	100%	289.00
• Boarding of cats *and* dogs - Grant fee 2 Year <10 animals	N/A	N/A	N/A	N/A	301.00 (£232.00 renewal)	N	0.00	301.00 (£232.00 renewal)	100%	301.00
• Boarding of cats *and* dogs - Grant fee 2 Year 10 - 29 animals	N/A	N/A	N/A	N/A	352.00 (£283.00 renewal)	N	0.00	352.00 (£283.00 renewal)	100%	352.00
• Boarding of cats *and* dogs - Grant fee 2 Year >30 animals	N/A	N/A	N/A	N/A	403.00 (£334.00 renewal)	N	0.00	403.00 (£334.00 renewal)	100%	403.00
• Boarding of cats *and* dogs - Grant fee 2 Year >60 animals	N/A	N/A	N/A	N/A	454.00 (£385.00 renewal)	N	0.00	454.00 (£385.00 renewal)	100%	454.00
• Boarding of cats *and* dogs - Grant fee 3 Year <10 animals	N/A	N/A	N/A	N/A	352.00 (£283.00 renewal)	N	0.00	352.00 (£283.00 renewal)	100%	352.00
• Boarding of cats *and* dogs - Grant fee 3 Year 10 - 29 animals	N/A	N/A	N/A	N/A	403.00 (£334.00 renewal)	N	0.00	403.00 (£334.00 renewal)	100%	403.00
• Boarding of cats *and* dogs - Grant fee 3 Year >30 animals	N/A	N/A	N/A	N/A	454.00 (£385.00 renewal)	N	0.00	454.00 (£385.00 renewal)	100%	454.00
• Boarding of cats *and* dogs - Grant fee 3 Year >60 animals	N/A	N/A	N/A	N/A	505.00 (£436.00 renewal)	N	0.00	505.00 (£436.00 renewal)	100%	505.00
• Boarding of cats *and* dogs - Variation fee (per hour)	50.00				50.00	N	0.00	50.00	0%	0.00

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Providing Day Care for Dogs										
• Day care for dogs - Application fee	340.00 (£236.00 renewal)	N	0.00	340.00 (£236.00 renewal)	340.00 (£236.00 renewal)	N	0.00	340.00 (£236.00 renewal)	0%	0.00
• Day care for dogs - Grant fee - 1 year	160.00 (£56.00 renewal)	N	0.00	160.00 (£56.00 renewal)	260.00 (£156.00 renewal)	N	0.00	260.00 (£156.00 renewal)	63%	100.00
• Day care for dogs - Grant fee - 2 years	211.00 (£107.00 renewal)	N	0.00	211.00 (£107.00 renewal)	311.00 (£207.00 renewal)	N	0.00	311.00 (£207.00 renewal)	47%	100.00
• Day care for dogs - Grant fee - 3 years	262.00 (£158.00 renewal)	N	0.00	262.00 (£158.00 renewal)	362.00 (£258.00 renewal)	N	0.00	362.00 (£258.00 renewal)	38%	100.00
• Day care for dogs - Variation fee	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00
Dog Breeding										
• Breeding of dogs licence	107.00	N	0.00	107.00	N/A	N	N/A	N/A	-100%	-107.00
• Dog breeding licence - Residential application fee	267.00 (£236.00 renewal)	N	0.00	267.00 (£236.00 renewal)	267.00 (£236.00 renewal)	N	0.00	267.00 (£236.00 renewal)	0%	0.00
• Dog breeding licence - Commercial application fee	317.00 (£286.00 renewal)	N	0.00	317.00 (£286.00 renewal)	317.00 (£286.00 renewal)	N	0.00	317.00 (£286.00 renewal)	0%	0.00
• Dog breeding licence - Residential grant fee - 1 year	187.00 (£156.00 renewal)	N	0.00	187.00 (£156.00 renewal)	187.00 (£156.00 renewal)	N	0.00	187.00 (£156.00 renewal)	0%	0.00
• Dog breeding licence - Residential grant fee - 2 years	238.00 (£207.00 renewal)	N	0.00	238.00 (£207.00 renewal)	238.00 (£207.00 renewal)	N	0.00	238.00 (£207.00 renewal)	0%	0.00
• Dog breeding licence - Residential grant fee - 3 years	289.00 (£258.00 renewal)	N	0.00	289.00 (£258.00 renewal)	289.00 (£258.00 renewal)	N	0.00	289.00 (£258.00 renewal)	0%	0.00
• Dog breeding licence - Commercial grant fee - 1 year	212.00 (£181.00 renewal)	N	0.00	212.00 (£181.00 renewal)	212.00 (£181.00 renewal)	N	0.00	212.00 (£181.00 renewal)	0%	0.00
• Dog breeding licence - Commercial grant fee - 2 years	263.00 (£232.00 renewal)	N	0.00	263.00 (£232.00 renewal)	263.00 (£232.00 renewal)	N	0.00	263.00 (£232.00 renewal)	0%	0.00
• Dog breeding licence - Commercial grant fee - 3 years	314.00 (£283.00 renewal)	N	0.00	314.00 (£283.00 renewal)	314.00 (£283.00 renewal)	N	0.00	314.00 (£283.00 renewal)	0%	0.00
• Dog breeding licence - Variation fee (per hour)	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
Riding Establishments										
• Riding establishments licence	214.00	N	0.00	214.00	N/A	N/A	N/A	N/A	-100%	-214.00
Hiring out Horses										
• Hiring out horses - Application fee <10 horses	281.00 (£236.00 renewal)	N	0.00	281.00 (£236.00 renewal)	281.00 (£236.00 renewal)	N	0.00	281.00 (£236.00 renewal)	0%	0.00
• Hiring out horses - Application fee <49 horses	381.00 (£336.00 renewal)	N	0.00	381.00 (£336.00 renewal)	381.00 (£336.00 renewal)	N	0.00	381.00 (£336.00 renewal)	0%	0.00
• Hiring out horses - Application fee >50 horses	481.00 (£436.00 renewal)	N	0.00	481.00 (£436.00 renewal)	481.00 (£436.00 renewal)	N	0.00	481.00 (£436.00 renewal)	0%	0.00
• Hiring out horses - Grant fee - 1 year	101.00 (£56.00 renewal)	N	0.00	101.00 (£56.00 renewal)	101.00 (£56.00 renewal)	N	0.00	101.00 (£56.00 renewal)	0%	0.00
• Hiring out horses - Grant fee <10 horses - 2 years	251.00 (£206.00 renewal)	N	0.00	251.00 (£206.00 renewal)	251.00 (£206.00 renewal)	N	0.00	251.00 (£206.00 renewal)	0%	0.00
• Hiring out horses - Grant fee <49 horses - 2 years	351.00 (£306.00 renewal)	N	0.00	351.00 (£306.00 renewal)	351.00 (£306.00 renewal)	N	0.00	351.00 (£306.00 renewal)	0%	0.00
• Hiring out horses - Grant fee >50 horses - 2 years	451.00 (£406.00 renewal)	N	0.00	451.00 (£406.00 renewal)	451.00 (£406.00 renewal)	N	0.00	451.00 (£406.00 renewal)	0%	0.00
• Hiring out horses - Grant fee <10 horses - 3 years	502.00 (£457.00 renewal)	N	0.00	502.00 (£457.00 renewal)	502.00 (£457.00 renewal)	N	0.00	502.00 (£457.00 renewal)	0%	0.00
• Hiring out horses - Grant fee <49 horses - 3 years	702.00 (£657.00 renewal)	N	0.00	702.00 (£657.00 renewal)	702.00 (£657.00 renewal)	N	0.00	702.00 (£657.00 renewal)	0%	0.00
• Hiring out horses - Grant fee >50 horses - 3 years	902.00 (£857.00 renewal)	N	0.00	902.00 (£857.00 renewal)	902.00 (£857.00 renewal)	N	0.00	902.00 (£857.00 renewal)	0%	0.00
• Hiring out horses - Variation fee (per hour)	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
Zoo Licence										
• Zoo licence	694.00	N	0.00	694.00	N/A	N	N/A	N/A	-100%	-694.00
• Zoo licence - New application fee	361.00	N	0.00	361.00	361.00	N	0.00	361.00	0%	0.00
• Zoo licence - grant fee (4 year licence)	1,004.00	N	0.00	1,004.00	1,004.00	N	0.00	1,004.00	0%	0.00
• Zoo licence - renewal fee (6 year licence)	1,556.00	N	0.00	1,556.00	1,556.00	N	0.00	1,556.00	0%	0.00
• Zoo licence - transfer fee (per hour)	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00
Performing Animals										
• Performing animal registration	107.00	N	0.00	107.00	N/A	N/A	N/A	N/A	-100%	-107.00
Dangerous Wild Animals										
• New	255.00	N	0.00	255.00	N/A	N/A	N/A	N/A	-100%	-255.00
• Renewal involving change of circumstances	214.00	N	0.00	214.00	N/A	N/A	N/A	N/A	-100%	-214.00
• Renewal involving no change of circumstances	112.00	N	0.00	112.00	N/A	N/A	N/A	N/A	-100%	-112.00
• Dangerous wild animals - Application fee - For dwarf cayman or serval	211.00	N	0.00	211.00	211.00	N	0.00	211.00	0%	0.00
• Dangerous wild animals - Application fee - For any other animal	311.00	N	0.00	311.00	311.00	N	0.00	311.00	0%	0.00
• Dangerous wild animals - Grant fee - 2 years	106.00	N	0.00	106.00	106.00	N	0.00	106.00	0%	0.00
• Dangerous wild animals - Variation fee (per hour)	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
Keeping of Animals for Exhibition										
• Keeping of animals for exhibition - Application fee	340.00 (£236.00 renewal)	N	0.00	340.00 (£236.00 renewal)	340.00 (£236.00 renewal)	N	0.00	340.00 (£236.00 renewal)	0%	0.00
• Keeping of animals for exhibition - Grant fee - 3 years	262.00 (£158.00 renewal)	N	0.00	262.00 (£158.00 renewal)	262.00 (£158.00 renewal)	N	0.00	262.00 (£158.00 renewal)	0%	0.00
• Keeping of animals for exhibition - Variation fee (per hour)	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00
Miscellaneous Fees										
• Applicant request for re-inspection (per hour)	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00
The above licence fees are subject to veterinary fees incurred										
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	N	0.00	35.00	35.00	N	0.00	35.00	0%	0.00
• Exceeding 30 kg but not exceeding 250 kg	60.00	N	0.00	60.00	60.00	N	0.00	60.00	0%	0.00
• Exceeding 250 kg but not exceeding 1 tonne	95.00	N	0.00	95.00	95.00	N	0.00	95.00	0%	0.00
• Exceeding 1 tonne but not exceeding 5 tonne	150.00	N	0.00	150.00	150.00	N	0.00	150.00	0%	0.00
• Exceeding 5 tonne but not exceeding 30 tonne	290.00	N	0.00	290.00	290.00	N	0.00	290.00	0%	0.00
• Exceeding 30 tonne	460.00	N	0.00	460.00	460.00	N	0.00	460.00	0%	0.00
Where labour and equipment are provided to facilitate the test the appropriate fee is reduced by 50%.										

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
MEASURING INSTRUMENTS										
Measuring instruments for liquid fuel or lubricants or mixtures thereof.										
• Container types (unsubdivided)	70.00	N	0.00	70.00	70.00	N	0.00	70.00	0%	0.00
SINGLE / MULTI GRADE TYPES										
• First nozzle tested, per visit per site	90.00	N	0.00	90.00	90.00	N	0.00	90.00	0%	0.00
• Each additional nozzle tested	70.00	N	0.00	70.00	70.00	N	0.00	70.00	0%	0.00
WEIGHTS										
• Not exceeding 5 kg	8.00	N	0.00	8.00	8.00	N	0.00	8.00	0%	0.00
• Exceeding 5 kg	12.00	N	0.00	12.00	12.00	N	0.00	12.00	0%	0.00
LINEAR MEASURES										
• Not exceeding 3 metres	14.00	N	0.00	14.00	14.00	N	0.00	14.00	0%	0.00
• Exceeding 3 metres	18.00	N	0.00	18.00	18.00	N	0.00	18.00	0%	0.00
CAPACITY MEASURES										
• Unsubdivided Per measure	10.00	N	0.00	10.00	10.00	N	0.00	10.00	0%	0.00
• Subdivided Per measure	14.00	N	0.00	14.00	14.00	N	0.00	14.00	0%	0.00
OTHER WEIGHING AND MEASURING EQUIPMENT										
• All other weighing and measuring equipment (per person per hour)	70.00	N	0.00	70.00	70.00	N	0.00	70.00	0%	0.00
TESTING OF WEIGHING AND MEASURING EQUIPMENT (CALIBRATION)										
WEIGHTS (WITH CERTIFICATE OF TEST)										
• Not exceeding 5kg (10 lb)	10.00	N	0.00	10.00	10.00	N	0.00	10.00	0%	0.00
• Exceeding 5 kg (10 lb) but not exceeding 25 kg (56 lb)	14.00	N	0.00	14.00	14.00	N	0.00	14.00	0%	0.00
• Exceeding 25 kg (56 lb)	25.00	N	0.00	25.00	25.00	N	0.00	25.00	0%	0.00
• Adjustment service per weight	6.50	N	0.00	6.50	6.50	N	0.00	6.50	0%	0.00
A surcharge of 10% is applicable if the submission is fewer than 5 items in total.										

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
LINEAR MEASURES (with certificate of test)										
• Not exceeding 3 metres (10 feet)	15.00	N	0.00	15.00	15.00	N	0.00	15.00	0%	0.00
• Exceeding 3 metres (10 feet)	20.00	N	0.00	20.00	20.00	N	0.00	20.00	0%	0.00
A surcharge of 10% is applicable if the submission is fewer than 5 items in total.										
OTHER										
• Request tests of trade equipment	As per verification fees	N	0.00	As per verification fees	As per verification fees	N	0.00	As per verification fees	0%	0.00
• All other weighing and measuring equipment incl. the provision of certificate of accuracy (Per person per hour)	70.00	N	0.00	70.00	70.00	N	0.00	70.00	0%	0.00
• Additional copies of certificate of accuracy	10.00	N	0.00	10.00	10.00	N	0.00	10.00	0%	0.00
Do You Pass Training Course										
• 1st attendee	55.00	N	0.00	55.00	55.00	N	0.00	55.00	0%	0.00
• 2nd and subsequent attendees from same premises	45.00	N	0.00	45.00	45.00	N	0.00	45.00	0%	0.00
• Business Advice hourly rate	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00

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TAXI LICENCES										
TAXI VEHICLE AND DRIVERS LICENCE										
• Hackney Vehicle Licence - Full Year One Test	162.00	N	0.00	162.00	172.00	N	0.00	172.00	6%	10.00
• Hackney Vehicle Licence - Full Year Two Tests	207.00	N	0.00	207.00	217.00	N	0.00	217.00	5%	10.00
• Hackney Vehicle Licence - Full Year Three Tests	252.00	N	0.00	252.00	262.00	N	0.00	262.00	4%	10.00
• Taxi Marshall Levy	145.00	N	0.00	145.00	175.00	N	0.00	175.00	21%	30.00
• Vehicle Change	95.00	N	0.00	95.00	95.00	N	0.00	95.00	0%	0.00
• Vehicle Re-tests (full)	45.00	N	0.00	45.00	45.00	N	0.00	45.00	0%	0.00
• Vehicle Re-tests (part)	20.00	N	0.00	20.00	20.00	N	0.00	20.00	0%	0.00
• Owner Change	16.00	N	0.00	16.00	16.00	N	0.00	16.00	0%	0.00
• Drivers Licence – New (1 year)	110.00	N	0.00	110.00	N/A	N	N/A	N/A	-100%	-110.00
• Drivers Licence – New (3 year)	213.00	N	0.00	213.00	N/A	N	N/A	N/A	-100%	-213.00
• Drivers Licence – Renewal (1 year)	64.00	N	0.00	64.00	N/A	N	N/A	N/A	-100%	-64.00
• Drivers Licence – Renewal (3 year)	167.00	N	0.00	167.00	N/A	N	N/A	N/A	-100%	-167.00
• Drivers Licence - Online - New (1 year)	101.00	N	0.00	101.00	108.00	N	0.00	108.00	7%	7.00
• Drivers Licence - Online - Renewal (1 year)	55.00	N	0.00	55.00	62.00	N	0.00	62.00	13%	7.00
• Drivers Licence - Online - Grant (3 year)	194.00	N	0.00	194.00	201.00	N	0.00	201.00	4%	7.00
• Drivers Licence - Online - Renewal (3 year)	148.00	N	0.00	148.00	155.00	N	0.00	155.00	5%	7.00
• Drivers Proficiency Re-tests	36.00	N	0.00	36.00	36.00	N	0.00	36.00	0%	0.00
DBS Application - Paper	44.00	N	0.00	44.00	44.00	N	0.00	44.00	0%	0.00
DBS Application - Online	Cost recovery			Cost recovery	Cost Recovery			Cost Recovery	0%	0.00

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PRIVATE HIRE OPERATOR LICENCE - ONE YEAR FEE										
OPERATORS LICENCE - NO STARS										
• 1 Vehicle	413.00	N	0.00	413.00	413.00	N	0.00	413.00	0%	0.00
• 2 – 10 Vehicles	678.00	N	0.00	678.00	678.00	N	0.00	678.00	0%	0.00
• 11 – 30 Vehicles	1,410.00	N	0.00	1,410.00	1,410.00	N	0.00	1,410.00	0%	0.00
• 31 – 60 Vehicles	1,794.00	N	0.00	1,794.00	1,794.00	N	0.00	1,794.00	0%	0.00
• 61+ Vehicles	2,317.00	N	0.00	2,317.00	2,317.00	N	0.00	2,317.00	0%	0.00
OPERATORS LICENCE - ONE STARS										
• 1 Vehicle	332.00	N	0.00	332.00	332.00	N	0.00	332.00	0%	0.00
• 2 – 10 Vehicles	580.00	N	0.00	580.00	580.00	N	0.00	580.00	0%	0.00
• 11 – 30 Vehicles	1,242.00	N	0.00	1,242.00	1,242.00	N	0.00	1,242.00	0%	0.00
• 31 – 60 Vehicles	1,528.00	N	0.00	1,528.00	1,528.00	N	0.00	1,528.00	0%	0.00
• 61+ Vehicles	2,027.00	N	0.00	2,027.00	2,027.00	N	0.00	2,027.00	0%	0.00
OPERATORS LICENCE - TWO STARS										
• 1 Vehicle	237.00	N	0.00	237.00	237.00	N	0.00	237.00	0%	0.00
• 2 – 10 Vehicles	473.00	N	0.00	473.00	473.00	N	0.00	473.00	0%	0.00
• 11 – 30 Vehicles	994.00	N	0.00	994.00	994.00	N	0.00	994.00	0%	0.00
• 31 – 60 Vehicles	1,235.00	N	0.00	1,235.00	1,235.00	N	0.00	1,235.00	0%	0.00
• 61+ Vehicles	1,415.00	N	0.00	1,415.00	1,415.00	N	0.00	1,415.00	0%	0.00

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OPERATORS LICENCE - THREE STARS										
• 1 Vehicle	197.00	N	0.00	197.00	197.00	N	0.00	197.00	0%	0.00
• 2 – 10 Vehicles	349.00	N	0.00	349.00	349.00	N	0.00	349.00	0%	0.00
• 11 – 30 Vehicles	720.00	N	0.00	720.00	720.00	N	0.00	720.00	0%	0.00
• 31 – 60 Vehicles	868.00	N	0.00	868.00	868.00	N	0.00	868.00	0%	0.00
• 61+ Vehicles	995.00	N	0.00	995.00	995.00	N	0.00	995.00	0%	0.00
OPERATORS LICENCE - FOUR STARS										
• 1 Vehicle	162.00	N	0.00	162.00	162.00	N	0.00	162.00	0%	0.00
• 2 – 10 Vehicles	269.00	N	0.00	269.00	269.00	N	0.00	269.00	0%	0.00
• 11 – 30 Vehicles	576.00	N	0.00	576.00	576.00	N	0.00	576.00	0%	0.00
• 31 – 60 Vehicles	734.00	N	0.00	734.00	734.00	N	0.00	734.00	0%	0.00
• 61+ Vehicles	900.00	N	0.00	900.00	900.00	N	0.00	900.00	0%	0.00
PRIVATE HIRE OPERATOR LICENCE - FIVE YEAR FEE										
OPERATORS LICENCE - NO STARS										
• 1 Vehicle	1,955.00	N	0.00	1,955.00	1,955.00	N	0.00	1,955.00	0%	0.00
• 2 – 10 Vehicles	3,280.00	N	0.00	3,280.00	3,280.00	N	0.00	3,280.00	0%	0.00
• 11 – 30 Vehicles	6,940.00	N	0.00	6,940.00	6,940.00	N	0.00	6,940.00	0%	0.00
• 31 – 60 Vehicles	8,860.00	N	0.00	8,860.00	8,860.00	N	0.00	8,860.00	0%	0.00
• 61+ Vehicles	11,475.00	N	0.00	11,475.00	11,475.00	N	0.00	11,475.00	0%	0.00
OPERATORS LICENCE - ONE STAR										
• 1 Vehicle	1,550.00	N	0.00	1,550.00	1,550.00	N	0.00	1,550.00	0%	0.00
• 2 – 10 Vehicles	2,790.00	N	0.00	2,790.00	2,790.00	N	0.00	2,790.00	0%	0.00
• 11 – 30 Vehicles	6,100.00	N	0.00	6,100.00	6,100.00	N	0.00	6,100.00	0%	0.00
• 31 – 60 Vehicles	7,530.00	N	0.00	7,530.00	7,530.00	N	0.00	7,530.00	0%	0.00
• 61+ Vehicles	10,025.00	N	0.00	10,025.00	10,025.00	N	0.00	10,025.00	0%	0.00
OPERATORS LICENCE - TWO STARS										
• 1 Vehicle	1,085.00	N	0.00	1,085.00	1,085.00	N	0.00	1,085.00	0%	0.00
• 2 – 10 Vehicles	2,265.00	N	0.00	2,265.00	2,265.00	N	0.00	2,265.00	0%	0.00
• 11 – 30 Vehicles	4,870.00	N	0.00	4,870.00	4,870.00	N	0.00	4,870.00	0%	0.00
• 31 – 60 Vehicles	6,075.00	N	0.00	6,075.00	6,075.00	N	0.00	6,075.00	0%	0.00
• 61+ Vehicles	6,975.00	N	0.00	6,975.00	6,975.00	N	0.00	6,975.00	0%	0.00

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OPERATORS LICENCE - THREE STARS										
• 1 Vehicle	885.00	N	0.00	885.00	885.00	N	0.00	885.00	0%	0.00
• 2 – 10 Vehicles	1,645.00	N	0.00	1,645.00	1,645.00	N	0.00	1,645.00	0%	0.00
• 11 – 30 Vehicles	3,500.00	N	0.00	3,500.00	3,500.00	N	0.00	3,500.00	0%	0.00
• 31 – 60 Vehicles	4,240.00	N	0.00	4,240.00	4,240.00	N	0.00	4,240.00	0%	0.00
• 61+ Vehicles	4,875.00	N	0.00	4,875.00	4,875.00	N	0.00	4,875.00	0%	0.00
OPERATORS LICENCE - FOUR STARS										
• 1 Vehicle	710.00	N	0.00	710.00	710.00	N	0.00	710.00	0%	0.00
• 2 – 10 Vehicles	1,245.00	N	0.00	1,245.00	1,245.00	N	0.00	1,245.00	0%	0.00
• 11 – 30 Vehicles	2,780.00	N	0.00	2,780.00	2,780.00	N	0.00	2,780.00	0%	0.00
• 31 – 60 Vehicles	3,570.00	N	0.00	3,570.00	3,570.00	N	0.00	3,570.00	0%	0.00
• 61+ Vehicles	4,400.00	N	0.00	4,400.00	4,400.00	N	0.00	4,400.00	0%	0.00
PRIVATE HIRE VEHICLE LICENCE										
• Private Hire Vehicle Licence - (Full year - Three Tests)	302.00	N	0.00	302.00	302.00	N	0.00	302.00	0%	0.00
• Private Hire Vehicle Licence – (Full Year Fee – Two Tests)	257.00	N	0.00	257.00	257.00	N	0.00	257.00	0%	0.00
• Private Hire Vehicle Licence - (Full Year Fee – One Test)	212.00	N	0.00	212.00	212.00	N	0.00	212.00	0%	0.00
SUPPLEMENTARY CHARGES										
• Replacement Plates (Each)	8.00	N	0.00	8.00	8.00	N	0.00	8.00	0%	0.00
• Plates Securing Bracket (L Shape)	12.00	N	0.00	12.00	12.00	N	0.00	12.00	0%	0.00
• Plates Securing Bracket (Flat Shape)	6.00	N	0.00	6.00	6.00	N	0.00	6.00	0%	0.00
• Plate holders - each	9.00	N	0.00	9.00	9.00	N	0.00	9.00	0%	0.00
• Cancelled/Failed to Attend Vehicle Test (Less than 48 hours notice given)	45.00	N	0.00	45.00	45.00	N	0.00	45.00	0%	0.00
• Cancelled/Failed to Attend Driver Proficiency Test (Less than 48 hours notice given)	36.00	N	0.00	36.00	36.00	N	0.00	36.00	0%	0.00
• Fee to be deducted for a withdrawn/refused application & amendments to licences	33.00	N	0.00	33.00	33.00	N	0.00	33.00	0%	0.00
• Pre-application advice per hour	30.00	N	0.00	30.00	30.00	N	0.00	30.00	0%	0.00
• Hackney Carriage door signs	5.00	N	0.00	5.00	5.00	N	0.00	5.00	0%	0.00
• Star Rating door signs	1.00	N	0.00	1.00	1.00	N	0.00	1.00	0%	0.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
STREET TRADING LICENCES										
• Street trading consents and licences - (Ice Cream / Veg) - Yearly	690.00	N	0.00	690.00	690.00	N	0.00	690.00	0%	0.00
• Street trading consents and licences - (Ice Cream / Veg) - 6 Months	345.00	N	0.00	345.00	345.00	N	0.00	345.00	0%	0.00
• Street trading consents (Other traders) - Yearly	590.00	N	0.00	590.00	590.00	N	0.00	590.00	0%	0.00
• Street trading consents (Other traders) - 6 Months	295.00	N	0.00	295.00	295.00	N	0.00	295.00	0%	0.00
• Street trading assistant	21.00	N	0.00	21.00	21.00	N	0.00	21.00	0%	0.00
• Street trading licences Town Centre - Per Quarter	995.00	N	0.00	995.00	995.00	N	0.00	995.00	0%	0.00
STREET TRADING - DAILY FEES:										
• 1st Day	57.00	N	0.00	57.00	57.00	N	0.00	57.00	0%	0.00
• 2nd and Subsequent Days	32.00	N	0.00	32.00	32.00	N	0.00	32.00	0%	0.00
STREET TRADING – MISCELLANEOUS										
• Uppermill Weekly Market	110.00	N	0.00	110.00	110.00	N	0.00	110.00	0%	0.00
CARBOOT / TABLE TOP SALES										
• Up to 20 stalls	42.00	N	0.00	42.00	42.00	N	0.00	42.00	0%	0.00
• Additional stalls - per stall	2.00	N	0.00	2.00	2.00	N	0.00	2.00	0%	0.00
SCRAP METAL LICENCES										
SCRAP METAL DEALER SITE LICENCE										
• New	630.00	N	0.00	630.00	630.00	N	0.00	630.00	0%	0.00
• Per additional site	565.00	N	0.00	565.00	565.00	N	0.00	565.00	0%	0.00
• Renewal	465.00	N	0.00	465.00	465.00	N	0.00	465.00	0%	0.00
• Renewal per additional site	400.00	N	0.00	400.00	400.00	N	0.00	400.00	0%	0.00
• Minor variation	30.00	N	0.00	30.00	30.00	N	0.00	30.00	0%	0.00
SCRAP METAL COLLECTORS LICENCE										
• New	265.00	N	0.00	265.00	265.00	N	0.00	265.00	0%	0.00
• Renewal	225.00	N	0.00	225.00	225.00	N	0.00	225.00	0%	0.00
• Minor Variation	30.00	N	0.00	30.00	30.00	N	0.00	30.00	0%	0.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
BETTING AND ADULT ENTERTAINMENT LICENCES										
GAMBLING ACT 2005										
BINGO PREMISES										
• New	2,450.00	N	0.00	2,450.00	2,450.00	N	0.00	2,450.00	0%	0.00
• Annual Fee	620.00	N	0.00	620.00	620.00	N	0.00	620.00	0%	0.00
• Variation	1,200.00	N	0.00	1,200.00	1,200.00	N	0.00	1,200.00	0%	0.00
• Provisional Statement	930.00	N	0.00	930.00	930.00	N	0.00	930.00	0%	0.00
• Transfer	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00
• Reinstatement	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00
BETTING PREMISES (EXCLUDING TRACKS)										
• New	2,250.00	N	0.00	2,250.00	2,250.00	N	0.00	2,250.00	0%	0.00
• Annual Fee	495.00	N	0.00	495.00	495.00	N	0.00	495.00	0%	0.00
• Variation	1,200.00	N	0.00	1,200.00	1,200.00	N	0.00	1,200.00	0%	0.00
• Provisional Statement	930.00	N	0.00	930.00	930.00	N	0.00	930.00	0%	0.00
• Transfer	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00
• Reinstatement	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00
TRACKS										
• New	1,875.00	N	0.00	1,875.00	1,875.00	N	0.00	1,875.00	0%	0.00
• Annual Fee	750.00	N	0.00	750.00	750.00	N	0.00	750.00	0%	0.00
• Variation	930.00	N	0.00	930.00	930.00	N	0.00	930.00	0%	0.00
• Provisional Statement	930.00	N	0.00	930.00	930.00	N	0.00	930.00	0%	0.00
• Transfer	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00
• Reinstatement	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00
FAMILY ENTERTAINMENT CENTRE										
• New	1,500.00	N	0.00	1,500.00	1,500.00	N	0.00	1,500.00	0%	0.00
• Annual Fee	562.00	N	0.00	562.00	562.00	N	0.00	562.00	0%	0.00
• Variation	750.00	N	0.00	750.00	750.00	N	0.00	750.00	0%	0.00
• Provisional Statement	930.00	N	0.00	930.00	930.00	N	0.00	930.00	0%	0.00
• Transfer	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00
• Reinstatement	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00

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	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
ADULT GAMING CENTRE										
• New	1,750.00	N	0.00	1,750.00	1,750.00	N	0.00	1,750.00	0%	0.00
• Annual Fee	495.00	N	0.00	495.00	495.00	N	0.00	495.00	0%	0.00
• Variation	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00
• Provisional Statement	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00
• Transfer	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00
• Reinstatement	627.00	N	0.00	627.00	627.00	N	0.00	627.00	0%	0.00
• Notification of change	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00
• Sex Shop Licence	380.00	N	0.00	380.00	380.00	N	0.00	380.00	0%	0.00
• Sexual entertainment venue	760.00	N	0.00	760.00	760.00	N	0.00	760.00	0%	0.00
OTHER LICENCES										
DISTRIBUTION OF FREE PRINTED MATTER										
• Daily Licence	45.00	N	0.00	45.00	45.00	N	0.00	45.00	0%	0.00
• Quarterly Licence	220.00	N	0.00	220.00	220.00	N	0.00	220.00	0%	0.00
• Yearly Licence	440.00	N	0.00	440.00	440.00	N	0.00	440.00	0%	0.00
• Additional Badge	15.00	N	0.00	15.00	15.00	N	0.00	15.00	0%	0.00
• Replacement Badge	15.00	N	0.00	15.00	15.00	N	0.00	15.00	0%	0.00
PEST CONTROL										
DOMESTIC PREMISES										
• Treatment for public health pests - rats, mice, cockroaches	35.00	Y	7.00	42.00	35.00	Y	7.00	42.00	0%	0.00
• Treatment for bed bugs	70.00	Y	14.00	84.00	70.00	Y	14.00	84.00	0%	0.00
• Treatment for non-public health pests	60.00	Y	12.00	72.00	60.00	Y	12.00	72.00	0%	0.00
• Treatment for wasps nests	45.00	Y	9.00	54.00	45.00	Y	9.00	54.00	0%	0.00
• Treatment for squirrels (including the lure of traps and one return visit)	90.00	Y	18.00	108.00	90.00	Y	18.00	108.00	0%	0.00
• Treatment for fleas	70.00	Y	14.00	84.00	70.00	Y	14.00	84.00	0%	0.00
• Subsequent visits	25.00	Y	5.00	30.00	27.50	Y	5.50	33.00	10%	2.50
The charges above are subject to a 5% discount for payment in advance										
• Callout charge - no treatment necessary	20.00	Y	4.00	24.00	22.00	Y	4.40	26.40	10%	2.00
• Key7 collection charge	20.00	Y	4.00	24.00	22.00	Y	4.40	26.40	10%	2.00

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COMMERCIAL PREMISES										
BASIC/STARTER CONTRACT										
• Cover for rodents only. Includes 4 x visits per year	200.00	Y	40.00	240.00	225.00	Y	45.00	270.00	13%	25.00
INTERMEDIATE CONTRACT										
• Cover is for rodents and includes 6 x visits and 2 free insect treatments (Non food pests & wood boring beetles)	275.00	Y	55.00	330.00	300.00	Y	60.00	360.00	9%	25.00
INTERMEDIATE PLUS CONTRACT										
• 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)	385.00	Y	77.00	462.00	400.00	Y	80.00	480.00	4%	15.00
ADVANCED CONTRACT										
• Cover includes rodents and most insects (does not include wood boring beetles). Includes 8 visits per year	510.00	Y	102.00	612.00	525.00	Y	105.00	630.00	3%	15.00
ADDITIONAL HOURLY RATES FOR VISITS/TREATMENTS										
• Hourly rate for all treatments	80.00	Y	16.00	96.00	80.00	Y	16.00	96.00	0%	0.00
ADDITIONAL OPERATIVE										
• Hourly rate	40.00	Y	8.00	48.00	40.00	Y	8.00	48.00	0%	0.00
• Reclamation fee for the recovery of dogs from the Manchester and district home for lost dogs (price fixed bylLaw)	25.00	N	0.00	25.00	25.00	N	0.00	25.00	0%	0.00
• Kennelling and detention costs	45.00	N	0.00	45.00	45.00	N	0.00	45.00	0%	0.00
• Kennelling and detention costs - out of hours	55.00	N	0.00	55.00	55.00	N	0.00	55.00	0%	0.00
• Admin costs	59.00	N	0.00	59.00	59.00	N	0.00	59.00	0%	0.00
								0.00		
• Administrative charge for default work at a maximum of £300	25%	N	0.00	25%	25%	N	0.00	25%	0%	0.00
• Formal responses to requests for technical information from Insurance companies etc. relative to drainage investigations etc. Per letter	158.10	N	0.00	158.10	158.10	N	0.00	158.10	0%	0.00

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SECURITY										
PATROLLING AND GUARDING SERVICES										
BUILDING SERVICES										
• Opening of a building (must also be a key holder) (per opening)	21.96	Y	4.39	26.35	22.50	Y	4.50	27.00	2%	0.54
CLOSING OF A BUILDING INCLUDING SECURITY SWEEP (MUST ALSO BE A KEY HOLDER) - (PER CLOSING)										
• Small building	28.23	Y	5.65	33.87	28.93	Y	5.79	34.72	2%	0.70
• Medium building	59.59	Y	11.92	71.51	61.08	Y	12.22	73.30	2%	1.49
• Large building	119.19	Y	23.84	143.02	122.17	Y	24.43	146.60	3%	2.98
• Internal postal courier service (includes returning external post to central post room) (per pickup)	11.50	Y	2.30	13.80	11.79	Y	2.36	14.15	3%	0.29
• Annual patrolling contract (public/third sector)	2,106.68	Y	421.34	2,528.02	2,159.35	Y	431.87	2,591.22	3%	52.67
• Annual patrolling contract (private sector)	2,495.61	Y	499.12	2,994.73	2,558.00	Y	511.60	3,069.60	3%	62.39
EMERGENCY BOARDING SERVICES										
• Call out (free when paying for Patrolling Services) (per hour/part thereof)	109.78	Y	21.96	131.73	112.52	Y	22.50	135.02	2%	2.74
WINDOW BOARDING										
• Standard window	49.14	Y	9.83	58.97	50.37	Y	10.07	60.44	3%	1.23
• Large window	109.78	Y	21.96	131.73	112.52	Y	22.50	135.02	2%	2.74
• Steel sheeting (per sheet)	93.05	Y	18.61	111.66	95.38	Y	19.08	114.46	3%	2.33
DOOR BOARDING										
• Wooden cover	59.59	Y	11.92	71.51	61.08	Y	12.22	73.30	2%	1.49
• Steel door (rental per week)	28.23	Y	5.65	33.87	28.93	Y	5.79	34.72	2%	0.70
• Boarded Up Property Inspection (free when paying for patrolling services) (per weekly inspection)	123.37	Y	24.67	148.04	126.45	Y	25.29	151.74	2%	3.08

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STATIC SECURITY GUARDING										
SPOT HIRE (<7 DAYS) (PER HOURS)										
• > 28 days notice; > 24 hours per operative	11.73	Y	2.35	14.08	12.02	Y	2.40	14.42	2%	0.29
• > 28 days notice; 12-24 hours per operative	11.73	Y	2.35	14.08	12.02	Y	2.40	14.42	2%	0.29
• > 28 days notice; 4-12 hours per operative	12.80	Y	2.56	15.36	13.12	Y	2.62	15.74	3%	0.32
• > 28 days notice; 0-4 hours per operative	13.86	Y	2.77	16.64	14.21	Y	2.84	17.05	3%	0.35
• 7-28 days notice; 24 hours per operative	11.73	Y	2.35	14.08	12.02	Y	2.40	14.42	2%	0.29
• 7-28 days notice; 12-24 hours per operative	12.80	Y	2.56	15.36	13.12	Y	2.62	15.74	3%	0.32
• 7-28 days notice; 4-12 hours per operative	13.86	Y	2.77	16.64	14.21	Y	2.84	17.05	3%	0.35
• 7-28 days notice; 0-4 hours per operative	14.93	Y	2.99	17.92	15.30	Y	3.06	18.36	2%	0.37
• 2-7 days notice; > 24 hours per operative	12.80	Y	2.56	15.36	13.12	Y	2.62	15.74	3%	0.32
• 2-7 days notice; 12-24 hours per operative	13.86	Y	2.77	16.64	14.21	Y	2.84	17.05	3%	0.35
• 2-7 days notice; 4-12 hours per operative	14.93	Y	2.99	17.92	15.30	Y	3.06	18.36	2%	0.37
• 2-7 days notice; 0-4 hours per operative	17.06	Y	3.41	20.48	17.49	Y	3.50	20.99	3%	0.43
• < 48 hours notice; > 24 hours per operative	13.86	Y	2.77	16.64	14.21	Y	2.84	17.05	3%	0.35
• < 48 hours notice; 12-24 hours per operative	14.93	Y	2.99	17.92	15.30	Y	3.06	18.36	2%	0.37
• < 48 hours notice; 4-12 hours per operative	17.06	Y	3.41	20.48	17.49	Y	3.50	20.99	3%	0.43
• < 48 hours notice; 0-4 hours per operative	18.13	Y	3.63	21.75	18.58	Y	3.72	22.30	2%	0.45
CONTRACT HIRE (> 7 DAYS) (PER HOUR)										
• > 366 days; 30-40 hours per week per operative	11.73	Y	2.35	14.08	12.02	Y	2.40	14.42	2%	0.29
• > 366 days; 20-30 hours per week per operative	11.73	Y	2.35	14.08	12.02	Y	2.40	14.42	2%	0.29
• > 366 days; 8-20 hours per week per operative	12.80	Y	2.56	15.36	13.12	Y	2.62	15.74	3%	0.32
• > 366 days; 0-4 hours per week per operative	13.86	Y	2.77	16.64	14.21	Y	2.84	17.05	3%	0.35
• 91-365 days; 30-40 hours per week per operative	11.73	Y	2.35	14.08	12.02	Y	2.40	14.42	2%	0.29
• 91-365 days; 20-30 hours per week per operative	12.80	Y	2.56	15.36	13.12	Y	2.62	15.74	3%	0.32
• 91-365 days; 8-20 hours per week per operative	13.86	Y	2.77	16.64	14.21	Y	2.84	17.05	3%	0.35
• 91-365 days; 0-4 hours per week per operative	14.93	Y	2.99	17.92	15.30	Y	3.06	18.36	2%	0.37
• 29-90 days; 30-40 hours per week per operative	12.80	Y	2.56	15.36	13.12	Y	2.62	15.74	3%	0.32
• 29-90 days; 20-30 hours per week per operative	13.86	Y	2.77	16.64	14.21	Y	2.84	17.05	3%	0.35
• 29-90 days; 8-20 hours per week per operative	14.93	Y	2.99	17.92	15.30	Y	3.06	18.36	2%	0.37
• 39-90 days; 0-4 hours per week per operative	17.06	Y	3.41	20.48	17.49	Y	3.50	20.99	3%	0.43
• 0-28 days; 30-40 hours per week per operative	13.86	Y	2.77	16.64	14.21	Y	2.84	17.05	3%	0.35
• 0-28 days; 20-30 hours per week per operative	14.93	Y	2.99	17.92	15.30	Y	3.06	18.36	2%	0.37
• 0-28 days; 8-20 hours per week per operative	17.06	Y	3.41	20.48	17.49	Y	3.50	20.99	3%	0.43
• 0-28 days; 0-4 hours per week per operative	18.13	Y	3.63	21.75	18.58	Y	3.72	22.30	2%	0.45

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ADJUSTMENTS ON SPOT/CONTRACT HIRE										
• Permanent Staff Allocation (contract hire per hour)	2.09	Y	0.42	2.51	2.14	Y	0.43	2.57	2%	0.05
• Permanent Staff Allocation (spot hire per hour)	7.42	Y	1.48	8.91	7.61	Y	1.52	9.13	3%	0.19
VEHICLE HIRE										
• Response Vehicle (per hour)	10.66	Y	2.13	12.80	10.93	Y	2.19	13.12	2%	0.27
• Unmarked Vehicle (per hour)	5.33	Y	1.07	6.40	5.47	Y	1.09	6.56	3%	0.14
• Mileage (per mile)	0.63	Y	0.13	0.75	0.64	Y	0.13	0.77	2%	0.01
DEISTER POINTS										
• Installation (per point)	38.37	Y	7.67	46.04	39.33	Y	7.87	47.20	3%	0.96
• (Hire (per day)	0.32	Y	0.06	0.38	0.33	Y	0.07	0.40	4%	0.01
• Attendance Reports (per report)	38.37	Y	7.67	46.04	39.33	Y	7.87	47.20	3%	0.96
ANY OTHER ASSISTANCE										
• Per Hour Per Operative	65.87	Y	13.17	79.04	67.51	Y	13.50	81.01	2%	1.64

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CCTV AND RADIO COMMUNICATION SERVICES										
CCTV SERVICES										
ANNUAL REGISTRATION AND COMPLIANCE AUDIT										
• Static Camera	11.50	Y	2.30	13.80	11.79	Y	2.36	14.15	3%	0.29
• ANPR Camera	17.77	Y	3.55	21.33	18.22	Y	3.64	21.86	3%	0.45
• PTZ Camera	31.37	Y	6.27	37.64	32.15	Y	6.43	38.58	3%	0.78
• Non public space per system	Variable			Variable	Variable			Variable	0%	0.00
ANNUAL MAINTENANCE FEE										
• ANPR Camera	175.64	Y	35.13	210.77	180.04	Y	36.01	216.05	3%	4.40
• Public Space Camera	703.62	Y	140.72	844.35	721.21	Y	144.24	865.45	2%	17.59
• Non public space per system	Variable			Variable	Variable			Variable	0%	0.00
PASSIVE MONITORING ON ACTIVATION PER SITE (SEE FEE FOR VISUAL VERIFICATION ABOVE)										
• Active Live Monitoring Only – Public Space without telemetry (per camera per day) (including transmission fees)	1.25	Y	0.25	1.51	1.29	Y	0.26	1.55	3%	0.04
• Active Live Monitoring Only – Public Space with telemetry (per camera per day) (including transmission fees)	3.24	Y	0.65	3.89	3.32	Y	0.66	3.98	2%	0.08
• Active Live Monitoring and Recording – Public Space without telemetry (per camera per day) (including transmission fees)	3.45	Y	0.69	4.14	3.54	Y	0.71	4.25	3%	0.09
• Active Live Monitoring and Recording – Public Space with telemetry (per camera per day) (including transmission fees)	9.51	Y	1.90	11.42	9.75	Y	1.95	11.70	2%	0.24
• Automatic Number Plate Recognition Camera (per camera per day) (including transmission fees and connection to ANPR network)	8.21	Y	1.64	9.85	8.41	Y	1.68	10.09	2%	0.20
NOTE: The Service does not undertake active live monitoring on private space systems.										

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
CCTV DEVELOPMENT SERVICES										
CCTV ADVICE AND CONSULTANCY										
• Private Sector (per hour)	64.82	Y	12.96	77.79	66.44	Y	13.29	79.73	2%	1.62
• Up to 4 Camera System (per camera per annum)	1,637.25	Y	327.45	1,964.70	1,678.18	Y	335.64	2,013.82	2%	40.93
• 5-8 Camera System (per annum)	5,769.07	Y	1,153.81	6,922.88	5,913.30	Y	1,182.66	7,095.96	3%	144.23
• 9-12 Camera System (per annum)	8,078.58	Y	1,615.72	9,694.29	8,280.54	Y	1,656.11	9,936.65	2%	201.96
• 13-19 Camera System (per annum)	10,387.04	Y	2,077.41	12,464.45	10,646.72	Y	2,129.34	12,776.06	3%	259.68
• 20 or over Camera System (per annum)	13,847.65	Y	2,769.53	16,617.18	14,193.84	Y	2,838.77	17,032.61	3%	346.19
• Non Public Space	Variable	Y	Variable	Variable	Variable	Y	Variable	Variable	0%	0.00
RADIO COMMUNICATIONS EQUIPMENT										
• Radio Equipment Set up & Admin Fee	27.18	Y	5.44	32.62	27.86	Y	5.57	33.43	3%	0.68
• Radio Equipment (airtime)	5.23	Y	1.05	6.28	5.36	Y	1.07	6.43	2%	0.13
REMOTE SECURITY SERVICES										
• Remote Operation of Traffic Control Barriers (per barrier)	4,265.64	Y	853.13	5,118.77	4,372.28	Y	874.46	5,246.74	2%	106.64
• Remote Operation of Visual Display Signage (including Snow Signs) (per sign)	1,812.90	Y	362.58	2,175.48	1,858.22	Y	371.64	2,229.86	3%	45.32
CONCIERGE SERVICE (IMPLEMENTATION DATE TBC)										
• Concierge Service per unit (Vetting by tenant)	199.69	Y	39.94	239.63	204.68	Y	40.94	245.62	2%	4.99
• Concierge Service per unit (Vetting by Control Room)	400.43	Y	80.09	480.51	410.44	Y	82.09	492.53	3%	10.01
EMERGENCY CONTROL CENTRE										
• Provision of Emergency Control Centre, Emergency Response and Command Rooms (per year)	8,040.94	Y	1,608.19	9,649.13	8,241.96	Y	1,648.39	9,890.35	2%	201.02

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
CCTV, SECURITY AND FIRST RESPONSE SERVICES										
ALARM RECEIVING CENTRE - PROTECTOR PACKAGES										
• GOLD – Including alarm and sound monitoring, alarm response and patrols, primary key holding, Line Guard and visual verification,	4,532.24	Y	906.45	5,438.69	4,532.24	Y	906.45	5,438.69	0%	0.00
• SILVER – Including alarm and sound monitoring, alarm response and patrols, secondary key holding and Line Guard.	3,636.25	Y	727.25	4,363.50	3,636.25	Y	727.25	4,363.50	0%	0.00
• BRONZE 1 – Including conventional alarm monitoring, alarm response and patrols and secondary key holding.	2,889.76	Y	577.95	3,467.71	2,819.00	Y	563.80	3,382.80	-2%	-70.76
• BRONZE 2 – Including alarm and sound monitoring, alarm response and patrols and primary key holding.	3,508.70	Y	701.74	4,210.44	3,423.00	Y	684.60	4,107.60	-2%	-85.70
ALARM MONITORING										
• Sonitrol Alarm Monitoring	1,413.52	Y	282.70	1,696.22	1,400.00	Y	280.00	1,680.00	-1%	-13.52
• Galaxy Gold Alarm Monitoring	1,066.41	Y	213.28	1,279.69	1,066.41	Y	213.28	1,279.69	0%	0.00
• Conventional Alarm Monitoring	820.72	Y	164.14	984.86	810.00	Y	162.00	972.00	-1%	-10.72
STAFF HOME ALARM MONITORING										
• Monitoring and Advisor Only	111.87	Y	22.37	134.24	110.00	Y	22.00	132.00	-2%	-1.87
• Monitoring with Police Response	272.88	Y	54.58	327.45	270.00	Y	54.00	324.00	-1%	-2.88
• Monitoring with Police, Fire and Panic Attack Modes	421.34	Y	84.27	505.60	420.00	Y	84.00	504.00	0%	-1.34
• Line Guard (was Paknet – replaced with a cheaper system)	287.51	Y	57.50	345.02	285.00	Y	57.00	342.00	-1%	-2.51
• Visual Verification	848.95	Y	169.79	1,018.74	850.00	Y	170.00	1,020.00	0%	1.05
• Trap Alarm Hire (per week)	28.23	Y	5.65	33.87	28.50	Y	5.70	34.20	1%	0.27
SMOKE ALARMS										
• Smoke Alarm not returned or damaged beyond repair	41.00	N	0.00	41.00	41.00	N	0.00	41.00	0%	0.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
KEYHOLDING										
• Primary key holder	426.56	Y	85.31	511.88	420.00	Y	84.00	504.00	-2%	-6.56
• Secondary key holder	290.65	Y	58.13	348.78	290.00	Y	58.00	348.00	0%	-0.65
• Alarm call out if FRS is secondary key holder, but primary key • holder unavailable within 30 minutes	29.27	Y	5.85	35.13	32.50	Y	6.50	39.00	11%	3.23
• 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.	59.59	Y	11.92	71.51	60.00	Y	12.00	72.00	1%	0.41
• Key cutting (standard key)	5.23	Y	1.05	6.27	5.50	Y	1.10	6.60	5%	0.27
• Key cutting (specialist key – including master keys)	21.96	Y	4.39	26.35	22.00	Y	4.40	26.40	0%	0.04
KEY SAFE										
• Key Safe - supply and installation (£10 discount if installed at the same time as the helpline)	65.00	N	0.00	65.00	65.00	N	0.00	65.00	0%	0.00
• Installation charges - Helpline	40.00	N	0.00	40.00	40.00	N	0.00	40.00	0%	0.00
• Base unit and pendant - recharge for equipment lost or not returned or damaged beyond repair	149.00	N	0.00	149.00	149.00	N	0.00	149.00	0%	0.00
• Replacement Pendants (lost or damaged)	50.00	N	0.00	50.00	50.00	N	0.00	50.00	0%	0.00
LONE WORKER PROTECTION										
• Mobile device set up fee	58.55	Y	11.71	70.26	58.55	Y	11.71	70.26	0%	0.00
• GOLD risk device tracking (per month)	34.50	Y	6.90	41.40	34.50	Y	6.90	41.40	0%	0.00
• SILVER risk device tracking (per month)	23.00	Y	4.60	27.60	23.00	Y	4.60	27.60	0%	0.00
• BRONZE risk device tracking (per month)	12.55	Y	2.51	15.06	12.55	Y	2.51	15.06	0%	0.00

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
LIFELONG LEARNING										
LIFELONG LEARNING COURSE FEES (academic year charges from August 2019)										
• Some courses and room hires will be individually priced and will fall outside the hourly rate.										
TUITION FEES ADULT EDUCATION BUDGET (AEB)										
• Engagement courses	0.00	N	0.00	0.00	0.00	N	0.00	0.00	0%	0.00
• Get Oldham Working - Employability courses	0.00	N	0.00	0.00	0.00	N	0.00	0.00	0%	0.00
• Adult Skills classes per hour	3.05	N	0.00	3.05	3.14	N	0.00	3.14	3%	0.09
• Concessionary fee for Adult Skills	0.00	N	0.00	0.00	0.00	N	0.00	0.00	0%	0.00
• Community Learning classes per hour – Rate A standard	3.80	N	0.00	3.80	3.91	N	0.00	3.91	3%	0.11
• Community Learning classes per hour – Rate B specialist	5.95	N	0.00	5.95	6.13	N	0.00	6.13	3%	0.18
• Concessionary fee for Community Learning classes per hour – Rate A	1.25	N	0.00	1.25	1.29	N	0.00	1.29	3%	0.04
• Concessionary fee for Community Learning classes per hour – Rate B	3.05	N	0.00	3.05	3.14	N	0.00	3.14	3%	0.09
• Basic Skills - English and Maths, Family Learning - Full cost recovery (income generating) hourly rate (+ additional resource costs)	8.10	N	0.00	8.10	8.34	N	0.00	8.34	3%	0.24

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
ACCREDITATION FEES - ALL PAYABLE AT ENROLMENT										
• Full fee	Actual awarding body charge	N	0.00	Actual awarding body charge	Actual awarding body charge	N	0.00	Actual awarding body charge	0%	0.00
• Concessionary fee	0.00	N	0.00	0.00	0.00	N	0.00	0.00	0%	0.00
CRECHE PROVISION										
• Full fee paying learner per child, per session (crèches on main sites)	3.80	N	0.00	3.80	3.91	N	0.00	3.91	3%	0.11
• Concessionary fee per child per session	0.00	N	0.00	0.00	0.00	N	0.00	0.00	0%	0.00
COMMUNITY GROUP MEMBER USE										
• Full Fee Annual charge (40 weeks)	67.60	N	0.00	67.60	69.63	N	0.00	69.63	3%	2.03
• Concessionary fee - over 60s and includes 18yrs and under (Annual charge – 40 weeks)	33.80	N	0.00	33.80	34.81	N	0.00	34.81	3%	1.01
• Full Fee (Annual charge reduction for 20 weeks)	33.80	N	0.00	33.80	34.81	N	0.00	34.81	3%	1.01
• Concessionary Fee (Annual charge reduction for 20 weeks)	16.90	N	0.00	16.90	17.41	N	0.00	17.41	3%	0.51
• Short term rate – weekly charge	1.75	N	0.00	1.75	1.81	N	0.00	1.81	3%	0.05
ROOM HIRE: INDIVIDUALS AND EXTERNAL SERVICES										
• Weekdays (per hour)	22.95	N	0.00	22.95	23.64	N	0.00	23.64	3%	0.69
• Weekends (per hour) Saturday (Up to 5pm)	31.75	N	0.00	31.75	32.70	N	0.00	32.70	3%	0.95
• Weekends (per hour) Saturday (after 5pm) + Sunday (up to 4pm)	38.25	N	0.00	38.25	39.40	N	0.00	39.40	3%	1.15
• Specialist space hire i.e. kitchen , pottery, I.T Rooms (per hour)	28.45	N	0.00	28.45	29.30	N	0.00	29.30	3%	0.85
• Performance Space (per hour)	17.14	N	0.00	17.14	N/A	N	N/A	N/A	-100%	-17.14

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
STUDY SUPPORT										
• Schools Linking Project Core Offer April - March	1,514.10	N	0.00	1,514.10	1,570.00	N	0.00	1,570.00	4%	55.90
Children University Annual Membership Fee September - July										
• Primary School	370.80	N	0.00	370.80	381.00	N	0.00	381.00	3%	10.20
• Secondary School	515.00	N	0.00	515.00	528.00	N	0.00	528.00	3%	13.00
Laticzone Alternative Provision										
• 1-1 Provision per student per day	206.00	Y	41.20	247.20	216.00	Y	43.20	259.20	5%	10.00
• Group of 4 (Charge per student per day)	103.00	Y	20.60	123.60	109.00	Y	21.80	130.80	6%	6.00
OUTDOOR EDUCATION										
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	265.00	N	0.00	265.00	272.00	N	0.00	272.00	3%	7.00
• Environmental Education Course fee per group excludes transport to/ from centre per half day	145.00	N	0.00	145.00	149.35	N	0.00	149.35	3%	4.35
• Outdoor Education activities per instructor includes equipment & minibus to/from & during activities per day	190.00	N	0.00	190.00	195.70	N	0.00	195.70	3%	5.70
• Outdoor Education activities per instructor includes equipment & minibus to/from & during activities per half day	120.00	N	0.00	120.00	123.60	N	0.00	123.60	3%	3.60
• Use of minibus by groups for activities not associated with the Service	75.00	N	0.00	75.00	77.25	N	0.00	77.25	3%	2.25
OTHER GROUPS INCLUDING ACADEMIES WITHOUT SLA'S										
• Environmental Education Course fee per group excludes transport to/ from centre per day	316.67	Y	63.33	380.00	326.17	Y	65.23	391.40	3%	9.50
• Outdoor Education activities per instructor includes equipment & minibus during activities but excludes transport to/ from Centre per day	316.67	Y	63.33	380.00	326.17	Y	65.23	391.40	3%	9.50
• Outdoor Education activities per instructor includes equipment & minibus during activities but excludes transport to/ from Centre per half day	179.17	Y	35.83	215.00	184.54	Y	36.91	221.45	3%	5.38

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
RESIDENTIAL CHARGES PER PERSON PER NIGHT OLDHAM SCHOOLS, ACADEMIES WITH SLA & PCS / IYS										
• Castleshaw Primary pupil accommodation	4.79	N	0.00	4.79	4.93	Y	0.99	5.92	3%	0.14
• Castleshaw Secondary pupil accommodation	7.46	N	0.00	7.46	7.68	Y	1.54	9.22	3%	0.22
• Castleshaw Adult accommodation	9.58	N	0.00	9.58	9.87	Y	1.97	11.84	3%	0.29
• Castleshaw Laundry	2.71	N	0.00	2.71	2.79	Y	0.56	3.35	3%	0.08
• Castleshaw Camping - Per Person, Per night	3.75	N	0.00	3.75	5.00	Y	1.00	6.00	33%	1.25
OTHER GROUPS INCLUDING ACADEMIES WITHOUT SLA'S										
• Castleshaw - Under 12 years accommodation	7.71	Y	1.54	9.25	7.94	Y	1.59	9.53	3%	0.23
• Castleshaw - Under 16 years accommodation	9.00	Y	1.80	10.80	9.27	Y	1.85	11.12	3%	0.27
• Castleshaw - Adult accommodation	12.92	Y	2.58	15.50	13.31	Y	2.66	15.97	3%	0.39
• Castleshaw Laundry	2.71	Y	0.54	3.25	2.79	Y	0.56	3.35	3%	0.08
• Castleshaw Camping - Per Person, Per night	3.75	Y	0.75	4.50	3.86	Y	0.77	4.64	3%	0.11

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
CATERING PER PERSON										
OLDHAM SCHOOLS, ACADEMIES WITH SLA & PCS / IYS										
• Castleshaw Breakfast - Under 12 years	2.33	N	0.00	2.33	2.46	N	0.00	2.46	6%	0.13
• Castleshaw Packed lunch - Under 12 years	3.04	N	0.00	3.04	3.96	N	0.00	3.96	30%	0.92
• Castleshaw Evening meal - Under 12 years	4.58	N	0.00	4.58	4.75	N	0.00	4.75	4%	0.17
• Castleshaw Breakfast - Under 16 years	2.75	N	0.00	2.75	2.92	N	0.00	2.92	6%	0.17
• Castleshaw Packed lunch - Under 16 years	3.33	N	0.00	3.33	4.33	N	0.00	4.33	30%	1.00
• Castleshaw Evening meal - Under 16 years	4.83	N	0.00	4.83	5.00	N	0.00	5.00	4%	0.17
• Castleshaw Breakfast - Adult	3.33	N	0.00	3.33	3.67	N	0.00	3.67	10%	0.34
• Castleshaw Packed lunch - Adult	3.83	N	0.00	3.83	5.00	N	0.00	5.00	31%	1.17
• Castleshaw Evening meal - Adult	7.08	N	0.00	7.08	7.29	N	0.00	7.29	3%	0.21
OTHER GROUPS INCLUDING ACADEMIES WITHOUT SLA'S										
• Castleshaw Breakfast - Under 12 years	2.33	Y	0.47	2.80	2.46	Y	0.49	2.95	6%	0.13
• Castleshaw Packed lunch - Under 12 years	3.04	Y	0.61	3.65	3.96	Y	0.79	4.75	30%	0.92
• Castleshaw Evening meal - Under 12 years	4.58	Y	0.92	5.50	4.75	Y	0.95	5.70	4%	0.17
• Castleshaw Breakfast - Under 16 years	2.75	Y	0.55	3.30	2.92	Y	0.58	3.50	6%	0.17
• Castleshaw Packed lunch - Under 16 years	3.33	Y	0.67	4.00	4.33	Y	0.87	5.20	30%	1.00
• Castleshaw Evening meal - Under 16 years	4.83	Y	0.97	5.80	5.00	Y	1.00	6.00	4%	0.17
• Castleshaw Breakfast - Adult	3.33	Y	0.67	4.00	3.67	Y	0.73	4.40	10%	0.34
• Castleshaw Packed lunch - Adult	3.83	Y	0.77	4.60	5.00	Y	1.00	6.00	31%	1.17
• Castleshaw Evening meal - Adult	7.08	Y	1.42	8.50	7.29	Y	1.46	8.75	3%	0.21
• Castleshaw Cooked lunch (if available) - Adult	7.08	Y	1.42	8.50	7.29	Y	1.46	8.75	3%	0.21

DESCRIPTION OF FEES	2018/19 CHARGES				PROPOSED 2019/20 CHARGES				NET VARIANCE FROM	
	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	NET FEES	SUBJECT TO VAT	VAT	TOTAL INCL. VAT	% INCREASE	£ INCREASE
VARIOUS OTHER CHARGES										
OLDHAM SCHOOLS, ACADEMIES WITH SLA & PCS / IYS										
• Castleshaw - Daily hire of centre	212.50	N	0.00	212.50	218.50	N	0.00	218.50	3%	6.00
• Castleshaw - meeting room hire per half day	63.75	N	0.00	63.75	65.67	N	0.00	65.67	3%	1.92
• Castleshaw - meeting room hire per day	127.50	N	0.00	127.50	131.42	N	0.00	131.42	3%	3.92
• Castleshaw - yurt hire per half day	63.75	N	0.00	63.75	65.67	N	0.00	65.67	3%	1.92
• Castleshaw - yurt hire per day	127.50	N	0.00	127.50	131.42	N	0.00	131.42	3%	3.92
• Under occupancy	7.71	N	0.00	7.71	7.96	N	0.00	7.96	3%	0.25
• Castleshaw Refreshments	2.75	N	0.00	2.75	2.83	N	0.00	2.83	3%	0.08
OTHER GROUPS INCLUDING ACADEMIES WITHOUT SLA'S										
• Castleshaw - Daily hire of centre	212.50	Y	42.50	255.00	218.50	Y	43.70	262.20	3%	6.00
• Castleshaw - meeting room hire per half day	63.75	Y	12.75	76.50	65.67	Y	13.13	78.80	3%	1.92
• Castleshaw - meeting room hire per day	127.50	Y	25.50	153.00	131.42	Y	26.28	157.70	3%	3.92
• Castleshaw - yurt hire per half day	63.75	Y	12.75	76.50	65.67	Y	13.13	78.80	3%	1.92
• Castleshaw - yurt hire per day	127.50	Y	25.50	153.00	131.42	Y	26.28	157.70	3%	3.92
• Under occupancy	7.71	Y	1.54	9.25	7.96	Y	1.59	9.55	3%	0.25
• Castleshaw booking deposit	150.00	Y	30.00	180.00	154.00	Y	30.80	184.80	3%	4.00
• Castleshaw Refreshments	2.75	Y	0.55	3.30	2.83	Y	0.57	3.40	3%	0.08
OUTDOOR EDUCATION MEALS & TRANSPORT										
• Meals at day centres or luncheon clubs	4.00	N	0.00	4.00	4.12	N	0.00	4.12	3%	0.12
• Transport	2.80	N	0.00	2.80	2.88	N	0.00	2.88	3%	0.08
SCHOOL SWIMMING SERVICE										
Swimming session - 30 minutes per week x 38 weeks	2,551.00	N	0.00	2,551.00	2,628.00	N	0.00	2,628.00	3%	77.00
SPORTS DEVELOPMENT										
In School Coaching Programme - 1/2 Day per week x 38 weeks	3322.00	N	0.00	3322.00	3,555.00	N	0.00	3,555.00	7%	233.00

Appendix 5

Pay Policy

Statement

2019/20

Pay

Policy

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Appendix 5

PAY POLICY STATEMENT 2019/20

Introduction & 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 and accountability 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; and
   - 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. This statement will be reviewed and prepared for each financial year then approved by 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 the Council's website as soon as it is reasonably practicable following any amendment and approval. For 2019/20 the approval will be at the Budget Council meeting of 27 February 2019.

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 2015. 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 which are 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, inclusive of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which specifies Gender Pay Gap Reporting for public bodies with 250 employees or more, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).

6. The Council is committed to the principles of equal pay for all of its employees, and to ensure consistency and fairness within its pay structures. Differentials in grades can be objectively justified through the use of job evaluation mechanisms, which determine the relativities between posts according to the requirements, demands, skills and responsibilities of the role.

Pay Structure

7. The Council uses nationally negotiated pay spines with a defined list of salary points as the basis for its local pay structure. These salary scales determine the salaries of the majority of its non-schools workforce, together with the use of locally determined grades where these do not apply. The current salary scales in use by the Council are available to view on the Council's website.

8. 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.

9. The majority of staff at Oldham Council are employed under the National Joint Council (NJC) terms and conditions (Green Book) and salaries are determined by the points score associated with a job role through the appropriate job evaluation scheme. For employees within grades 1 to 10, the NJC Job Evaluation Scheme is used, created specifically for jobs within local government. Employees on senior management grades are evaluated through the HAY Scheme, widely used for evaluating senior jobs, in both the private and public sector, nationally and internationally. Single Status, harmonising former officers and former manual workers, was implemented at the Council on 1 January 2011.

10. In determining its grading structure and setting remuneration levels for any posts which fall outside this 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.

11. 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 there is guidance in the Council's Starting Salary Policy to ensure consistency of application across the organisation.

12. 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 and benchmark information, using data sources available from within the local government sector and outside, as appropriate.

Pension Contributions

13. 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 for that employee. The rate of contribution is set by Actuaries advising the Greater Manchester Pension Fund and is reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The new triennial period starts from 1 April 2017, and current rates can be found in the Actuarial Valuation Reports on the Greater Manchester Pensions Fund (GMPF) website. The employee contribution rates, are currently 5.5% to 12.5% depending on the level of annual salary.

14. 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).

15. There are other pension schemes which are in operation at the Council. There is a separate pension scheme for Teachers and a separate pension scheme for transferred NHS staff that still remain on their existing TUPE terms and conditions.

Senior Management Remuneration

16. 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 1, with details of their basic salary, typically shown within five thousand pound bandings.

17. Chart 1 shows the organisational chart of the job roles set out in Table 1, which are linked through the use of common job titles and a number referencing system. Table 1 shows for Directors and above; their grade, type of contract, salary, allowances, services directed, budget held and the approximate number of staff they are responsible for. For other senior managers covered in the scope of publishing this Pay Policy Statement, Table 1 gives details regarding their pay, services managed and their contract type.

18. 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.

19. The arrangements and factors considered in determining, where appropriate, an individual's progression through the relevant grade pay scale are set out at the time of appointment, with the individual 'chief officer'. The level of remuneration does not vary depending on the achievement of defined targets, although progression through the incremental scale of the relevant grade is subject to satisfactory performance, which is assessed on an annual basis. If a cost of living increase is awarded to JNC Chief Officers through national collective bargaining then it is fully applied at that time.

20. 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 which may be relevant to those duties through the Selection Committee, or other constitutionally approved mechanism.

21. Some chief officer posts carry additional payments. These additional payments are supplementary to basic salary and may represent a contractual obligation. The amounts and types of additional payments are shown in Table 1.

22. 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 elections and referendums. It should be noted that payments for such elections are not funded by the Council.

23. 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 will be fully compliant with the off payroll working rules and will only engage such workers where an arrangement is in place to deduct tax and national insurance contributions in line with off payroll working rules. The contractual arrangements for each of our chief officers are highlighted within Table 1.

Recruitment Of Chief Officers

24. 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, or other constitutionally approved mechanism. There is a copy of the Council's Constitution on the Council's website to view for further details.

25. When recruiting to all posts, the Council will take full and proper account of all provisions of relevant employment and equality law and its own Recruitment and Redeployment Policies.

26. 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 the Council is seeking 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 assessment, group and technical exercises; conduct the short listing exercise with members of the Selection Committee, or other constitutionally approved mechanism, and facilitate the interview sessions, providing a technical advisor to the interview panel when necessary.

27. The selection of a chief officer is made by a panel of Elected Members and the Selection Committee, or other constitutionally approved mechanism, 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, or other constitutionally approved mechanism, is supported by the line manager of the post being recruited to and/or advised where necessary by a technical adviser on the service area in addition to the Director of People Services (or their nominee).

28. 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.

Payments On Termination

29. The Council's approach to statutory and discretionary payments on termination of employment of chief officers and its other employees, prior to reaching normal retirement age, 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. This excludes teachers where there are different pension arrangements. The Council's current Redundancy Policy is available to view on the Council's website.

30. 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. The Council is fully compliant on regulations and frameworks regarding exit payments, which ensures a fair and appropriate level of compensation is provided for employees who are required to leave public sector jobs.

Lowest Paid Employees

31. 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. From April 2015, the Council has chosen to pay the Living Wage, as advocated by the Living Wage Foundation. This hourly rate has increased every November in line with the latest research, and the Council has updated its payline, effective from the following April. The Council retains its commitment to the Living Wage, subject to an ongoing financial impact assessment.

32. Full time hours at Oldham Council are 36 hours and 40 minutes per week for employees on NJC terms and conditions.

33. 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 2, 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, will not exceed 1:11.

Accountability And Decision Making

34. In accordance with the constitution of the Council, the Selection Committee, or other constitutionally approved mechanism, 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 Council's Scheme of Delegation.

Re-Employment / Re-Engagement Of Former Employees

35. 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.

36. 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 or to employees who early retire where there is no cost to the council.

Table 1 - Senior Management Remuneration **APPENDIX 5a**

Executive Management Team

February 2019

No. on Chart	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:	No. of Employees	2019/20 Indicative Net Revenue Budget Responsibility £000
1	Chief Executive, Oldham Council and Accountable Officer, NHS Oldham CCG	Chief Executive	£176,680	Permanent	–	Executive direction for the Council to achieve its co-operative vision through: ▪ Accountable for the overall performance of the Council and the Council's net revenue budget ▪ Head of Paid Service ▪ Returning Officer for the Elections	2,906	224,112
2	Deputy Chief Executive for People & Place	Executive Director	£125,001 - £130,000	Permanent	£150 - Local Elections Payment	Executive direction for the following services: ▪ Environmental Management ▪ Economy	1,198	55,921
3	Interim Director of Children's Services (DCS)	Chief Officer	–	Interim	–	Executive direction for the following services: • Statutory officer for Children's Services (DCS) • Children's social services & Early Help • Education & Early Years, plus Employment & Skills	920	43,364
4	Deputy Chief Executive for Corporate & Commercial Services	Executive Director	£125,001 - £130,000	Permanent	£150 - Local Elections Payment	Executive direction for the following services: ▪ Finance ▪ Legal Services ▪ Commercial ▪ People Services	198	34,815
5	Managing Director for Health & Adult Social Care Community Services (DASS)	Chief Officer	£100,001 - £105,000	Permanent	–	Executive direction for the following services: ▪ Statutory officer for Adult Social Care (DASS) ▪ Learning Disabilities & Mental Health ▪ Integrated Commissioning of Adult Social Care ▪ Client Finance	247	58,730
6	Strategic Director of Reform	Chief Officer	£120,001 - £125,000	Permanent	–	Executive direction for the following services: ▪ Transformation ▪ Public Health ▪ Youth & Leisure Services ▪ Libraries, Heritage & Arts ▪ Policy, Communications & Executive Support ▪ Business Intelligence	329	27,641

Senior Leadership Team

February 2019

No. on Chart	Directorate	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:	No. of Employees	2019/20 Indicative Net Revenue Budget Responsibility £000
7	People & Place	Director of Environmental Management	Director	£85,001 - £90,000	Permanent	£100 - Local Election Payment	Strategic direction for the following services: ▪ Waste, Fleet & Highways Operation ▪ Street Scene & Parks ▪ Strategic Transportation, Highways (Unity Client) & Street Lighting (Client) ▪ Public Protection & Building Control	464	53,897
8	People & Place	Director of Economy	Director	£85,001 - £90,000	Permanent	–	Strategic direction for the following services: ▪ Physical regeneration development (including Joint Ventures & Education Capital Programme) ▪ Asset management (Client) ▪ Corporate Landlord (including Facilities Management) & Car Parking ▪ Catering & Cleaning ▪ Strategic Housing, Development & Homelessness ▪ Strategic Planning & Development Control	734	2,024
9	Children's Services	Director of Education & Early Years	Director	£85,001 - £90,000	Permanent	–	Strategic direction for the following services: ▪ Education Improvement ▪ Inclusion ▪ SEND & SEN Support ▪ Employment & Skills ▪ Education Provision - Post 16 ▪ Post 16 & Business Development	484	3,717
10	Children's Services	Director of Children's Social Care & Early Help	Director	£85,001 - £90,000	Interim	–	Strategic direction for the following services: ▪ Early Help ▪ Children's Social Care Management ▪ Community Services	435	39,647
11	Reform	Director of Public Health	Director	£85,001 - £90,000	Permanent - acting up arrangement in place	–	Holds the Statutory role for the Director of Public Health, plus: ▪ Youth, Leisure & Sports Development ▪ Heritage, Libraries & Arts	244	25,303
12	Corporate & Commercial Services	Director of Legal Services	Director	£95,001 - £100,000	Permanent	£400 - Local Elections Payment	Strategic direction for the following services: ▪ Legal Service ▪ Statutory Monitoring Officer ▪ Constitutional Services ▪ Member Services ▪ Registrars ▪ Elections	48	3,181
13	Corporate & Commercial Services	Director of People	Director	£85,001 - £90,000	Vacant	–	Strategic direction for the following services: ▪ People Strategy ▪ Development Academy ▪ Unity Client for Human Resource Services ▪ Organisational Development	32	2,370
14	Corporate & Commercial Services	Director of Finance	Director	£90,001 - £95,000	Permanent	£180 - Local Election Payment	Strategic direction for the following services: ▪ Chief Finance & Section 151 Officer ▪ Financial Planning ▪ Financial Management ▪ Traded service for Schools Budget Support ▪ Internal Audit, Fraud, Risk Management & Insurance ▪ Corporate Complaints ▪ Information Governance ▪ Client function for Unity Exchequer Services ▪ Welfare Rights	88	10,344

Senior Managers

February 2019

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
15	People & Place	Environmental Management	Head of Public Protection	SM1	£60,001 - £65,000	Permanent	£500 - Car Allowance	Management direction for the following services: ▪ Environmental Health ▪ Health & Safety ▪ Trading Standards ▪ Licencing ▪ Building Control
16	People & Place	Environmental Management	Head of Environmental Services	SM1	£60,001 - £65,000	Permanent	£500 - Car Allowance	Management direction for the following services: ▪ Parks and open spaces ▪ Street Cleansing ▪ Countryside Service ▪ Cemeteries and crematorium
17	People & Place	Environmental Management	Head of Operational Services	SM1	£60,001 - £65,000	Permanent	£500 - Car Allowance	Management direction for the following services: ▪ Waste management services including trade waste & recycling ▪ Highways operations ▪ Fleet management ▪ Delivery of contracts for the Greater Manchester Waste Disposal Authority
18	People & Place	Environmental Management	Environmental Health Manager	SM2	£50,001 - £55,000	Permanent	£500 - Car Allowance £950 - Standby £4,780.72 - Plain Time	Operational direction for the following services: ▪ Environmental Health ▪ Health & Safety
19	People & Place	Economy	Head of Planning & Development Control	SM1	£60,001 - £65,000	Permanent	£500 - Car Allowance	Management direction for the following services: ▪ Planning applications & development control ▪ Enforce planning contraventions ▪ Strategic Planning ▪ Policy & Transport strategy
20	People & Place	Economy	Head of Strategic Regeneration & Development	SM1	£60,001 - £65,000	Permanent	£500 - Car Allowance £5,115.71 - Honorarium	Management direction for the following services: ▪ Delivery of key projects identified within the Council's capital programme ▪ Delivery of major high quality regeneration projects, covering both the Town Centre and the Borough of Oldham
21	People & Place	Economy	Head of Housing & Property Partnerships	SM1	£60,001 - £65,000	Permanent	£500 - Car Allowance	Management direction for the following services: ▪ Delivery of successful private sector development & other physical investment in the Borough ▪ Leading on appraisals for major property development, obtain property evaluations and advise on all property matters in connection to the Council's physical regeneration programme

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
22	People & Place	Economy	Head of Strategic Asset Management & Facilities Management	SM1	£60,001 - £65,000	Permanent	£500 - Car Allowance	Management direction for the following services: ▪ Leading on "One Public Estate" work on behalf of the Council ▪ Client Manager for Unity Partnership function including Corporate Landlord ▪ Facilities Management, Cleaning, Catering & Car Parking
23	Children's Services	Education & Early Years	Head of Schools & Learning	Soulbury	£65,001 - £70,000	Permanent	£500 - Car Allowance	Management direction for the following services: ▪ Early Years Improvement ▪ School Improvement ▪ Virtual School for Looked After Children
24	Children's Services	Education & Early Years	Assistant Headteacher (Jigsaw)	Asst. Head-teacher	£55,001 - £60,000	Permanent	–	Management of the following areas: ▪ Supporting schools to build on their capacity to support children presenting behaviour challenges so that they can access learning and make appropriate progress ▪ Reducing levels of poor behaviour, fixed term or permanent exclusions in targeted schools ▪ Promotion of effective education for pupils with special educational needs/social emotional & behavioural difficulties
25	Children's Services	Education & Early Years	Headteacher - Virtual School	Soulbury	£50,001 - £55,000	Permanent	–	Responsible for improving educational attainment and outcomes for Looked After Children
26	Children's Services	Education & Early Years	Education Improvement Manager	Soulbury	£55,001 - £60,000	Permanent	–	Management of the following areas: ▪ Challenging schools & Early Years/Childcare settings to improve results at Early Years Foundation Stage ▪ Developing plans to improve school readiness ▪ Leading the development/delivery of Oldham's Early Years Foundation Stage Profile Moderation programme ▪ Monitoring and evaluating the performance of schools and early years/childcare settings
27	Children's Services	Education & Early Years	Early Years Specialist	Soulbury	£50,001 - £55,000	Permanent	–	Provision of advice, support and challenge to schools & Early Years settings on teaching and learning strategies to help them track and raise standards of achievement. Put in place systems for the statutory moderation of teacher assessments.

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
28	People & Place	Economy & Skills	Head of Lifelong Learning, Employment & Skills	SM1	£60,001 - £65,000	Permanent	£500 - Car Allowance	Management direction for the following services: ▪ Get Oldham Working ▪ Strategies on reducing unemployment ▪ Support for Business Growth ▪ LifeLong Learning service development & delivery
29	Children's Services	Education & Early Years	Head of School Support Services	SM2	£50,001 - £55,000	Permanent	–	Operational management for the following services: ▪ Education information and advice ▪ Governor support services
30	Children's Services	Education & Early Years	Education Partnership Leader	Soulbury	£65,001 - £70,000	Fixed Term	–	On behalf of the Oldham Education & Skills Commission Board, the post holder will lead on the development of schemes of work to implement the nineteen recommendations contained within the Report
31	Children's Services	Education & Early Years	Opportunity Area Programme Lead	Soulbury	Vacant	Fixed Term	–	Progressing the Government's Opportunity Area programme within Oldham, through: ▪ Supporting children to be School-ready by five years old ▪ Raising attainment for disadvantaged pupils ▪ Ensuring all children and young people are ready for life, learning & work
32	Children's Services	Education & Early Years	Assistant Director for SEND	Asst. Director	£65,001 - £70,000	Permanent	–	Management direction for the following services: ▪ Special Educational Needs & Disabilities ▪ Inclusion ▪ SEN support
33	Children's Services	Education & Early Years	SEN Support Manager & Lead Educational Psychologist	Soulbury	£55,001 - £60,000	Permanent	£500 - Car Allowance	Management of the Educational & Child Psychology Service (ECPS) - psychological services which promote the attainment and healthy emotional development of children and young people from 0 - 19 in partnership with their families, carers and other relevant agencies
34	Children's Services	Education & Early Years	Senior Educational Psychologist	Soulbury	£55,001 - £60,000	Permanent	£500 - Car Allowance	Contribution to the Educational & Child Psychology Service (ECPS) - psychological services which promote the attainment and healthy emotional development of children and young people from 0 - 19 in partnership with their families, carers and other relevant agencies

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
35	Children's Services	Education & Early Years	Educational Psychologist	Soulbury	£50,001 - £55,000* Actual Salary £20,559	Permanent	£500 - Car Allowance	Contribution to the Educational & Child Psychology Service (ECPS) - psychological services which promote the attainment and healthy emotional development of children and young people from 0 - 19 in partnership with their families, carers and other relevant agencies
36	Children's Services	Education & Early Years	Educational Psychologist	Soulbury	£50,001 - £55,000* Actual Salary £25,705	Permanent	£500 - Car Allowance	Contribution to the Educational & Child Psychology Service (ECPS) - psychological services which promote the attainment and healthy emotional development of children and young people from 0 - 19 in partnership with their families, carers and other relevant agencies
37	Children's Services	Education & Early Years	Educational Psychologist	Soulbury	£50,001 - £55,000* Actual Salary £25,705	Permanent	£500 - Car Allowance	Contribution to the Educational & Child Psychology Service (ECPS) - psychological services which promote the attainment and healthy emotional development of children and young people from 0 - 19 in partnership with their families, carers and other relevant agencies
38	Children's Services	Education & Early Years	Educational Psychologist	Soulbury	£50,001 - £55,000* Actual Salary £46,278	Permanent	£500 - Car Allowance	Contribution to the Educational & Child Psychology Service (ECPS) - psychological services which promote the attainment and healthy emotional development of children and young people from 0 - 19 in partnership with their families, carers and other relevant agencies
39	Children's Services	Education & Early Years	Educational Psychologist	Soulbury	£50,001 - £55,000	Permanent	£500 - Car Allowance £627.90 - Honorarium	Contribution to the Educational & Child Psychology Service (ECPS) - psychological services which promote the attainment and healthy emotional development of children and young people from 0 - 19 in partnership with their families, carers and other relevant agencies
40	Children's Services	Education & Early Years	Educational Psychologist	Soulbury	£50,001 - £55,000	Permanent	£500 - Car Allowance £1130.22 - Honorarium	Contribution to the Educational & Child Psychology Service (ECPS) - psychological services which promote the attainment and healthy emotional development of children and young people from 0 - 19 in partnership with their families, carers and other relevant agencies
41	Children's Services	Children's Social Care & Early Help	Head of Assessment & Prevention	SM1	£60,001 - £65,000	Permanent	–	Management direction for the following services: ▪ Service provision for children subject to assessment (including Section 47), Children in Need and children subject to a Child Protection Plan

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
42	Children's Services	Children's Social Care & Early Help	Head of Looked After Children	SM1	£60,001 - £65,000	Permanent	–	Management direction for the following services: ▪ Fostering ▪ Adoption ▪ Care Leavers ▪ Residential Children's Services
43	Children's Services	Children's Social Care & Early Help	Assistant Director for Communities & Early Intervention	Asst. Director	£70,001 - £75,000	Permanent	£150 - Local Elections Payment	Management direction for the following services: ▪ Leading work across the Council and Oldham Partnership to manage community tensions and build good community relations ▪ Contributing to building a strong voluntary, community and faith sector, and tackle inequality within the community ▪ Community Safety & Cohesion ▪ District Partnerships ▪ MASH team
44	Children's Services	Children's Social Care & Early Help	Strategic Change Manager	SM2	Vacant	Permanent	–	Operational management for the following services: ▪ Strategic approach to public sector reform ▪ Developing evaluation and economic modelling framework
45	Children's Services	Children's Social Care & Early Help	Assistant Director for Safeguarding & Partnerships	Asst. Director	£75,001 - £80,000	Permanent	–	Management direction for the following services: ▪ Safeguarding ▪ Commissioning & Risk Management ▪ Quality Assurance for Children's Social Care
46	Health & Adult Social Care Community Services	Adult Social Care	Deputy Managing Director - Community Health & Adult Social Care	Asst. Director	£65,001 - £70,000	Permanent	–	Strategic direction for the following services: ▪ Adult Social Care ▪ Learning Disabilities & Mental Health ▪ Adult Social Care Business Management
47	Health & Adult Social Care Community Services	Adult Social Care	Head of Adult Social Care	SM1	Vacant	Permanent	£500 - Car Allowance	Management direction for the following services: ▪ Adult Social Care ▪ Emergency Duty Team ▪ Hospital team ▪ End of Life team ▪ Adult Safeguarding
48	Health & Adult Social Care Community Services	Adult Social Care	Head of Learning Disabilities & Mental Health	SM1	£60,001 - £65,000	Permanent	£500 - Car Allowance £1,800 - Standby	Management direction for the following services: ▪ Mental Health Social Care ▪ Learning Disabilities

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
49	Health & Adult Social Care Community Services	Adult Social Care	Head of Business Management & Transformation	SM1	£60,001 - £65,000	Permanent	–	Management direction for the following services: ▪ Client Support Service ▪ Maximisation of income from social care and other related charges
50	Health & Adult Social Care Community Services	Adult Social Care	Interim Assistant Director for Joint Commissioning & Safeguarding	Asst. Director	£70,001 - £75,000	Acting	£230 - Local Elections Payment	Management direction for the following services: ▪ Developing strategic commissioning strategies ▪ Develop comprehensive range of evidence based services commissioned with available resource
51	Health & Adult Social Care Community Services	Adult Social Care	Head of Special Projects	SM1	£60,001 - £65,000	Fixed Term	£3,804.64 - Honorarium	Management of the following areas: ▪ Implementation of the Supported Housing & Learning Disability Programme ▪ Management of the iBCF ▪ ASC link to Thriving Communities ▪ MioCare review and oversight of action plan ▪ Change management & general transformation programmes, i.e. Community enablement
52	Reform	Public Health	Consultant in Public Health (Health & Wellbeing)	Asst. Director	£75,001 - £80,000	Permanent	£5,407.47 - Honorarium	Management direction for the following services: ▪ Providing expert public health advice and leadership ▪ Developing and utilising information and intelligence systems to underpin public health action across Oldham ▪ Development and delivery of national, regional and local policies, and interdisciplinary strategic plans and programmes
53	Reform	Public Health	Consultant in Public Health (Healthcare & Public Health)	Asst. Director	£75,001 - £80,000	Permanent		Management direction for the following services: ▪ Providing expert public health advice and leadership ▪ Developing and utilising information and intelligence systems to underpin public health action across Oldham ▪ Development and delivery of national, regional and local policies, and interdisciplinary strategic plans and programmes
54	Reform	Public Health	Senior Nurse - Health Protection	SM2	£50,001 - £55,000	Permanent	–	Contributing to the development and effective implementation of robust plans for health protection within Oldham, act as the lead source of information for: Health Protection issues, infection control, communicable disease, non-communicable environmental hazards and screening & immunisation

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
55	Reform	Public Health	Public Health Specialist - Primary Care, Community Services, Respiratory	SM2	£50,001 - £55,000	Permanent	–	Management of the following areas: ▪ Plan, design and lead the development and delivery of public health programmes of work ▪ Public health promotion ▪ Manage a significant portfolio of commissioned services, setting budgets and ensuring value for public money
56	Reform	Public Health	Public Health Specialist - Primary Care, Community Services, Respiratory	SM2	£50,001 - £55,000	Permanent	–	Management of the following areas: ▪ Plan, design and lead the development and delivery of public health programmes of work ▪ Public health promotion ▪ Manage a significant portfolio of commissioned services, setting budgets and ensuring value for public money
57	Reform	Public Health	Public Health Specialist - Vascular	SM2	£50,001 - £55,000* Actual salary £46,144	Permanent	–	Management of the following areas: ▪ Plan, design and lead the development and delivery of public health programmes of work ▪ Public health promotion ▪ Manage a significant portfolio of commissioned services, setting budgets and ensuring value for public money
58	Reform	Public Health	Head of Youth & Leisure	SM1	£60,001 - £65,000	Permanent	–	Management direction for the following services: ▪ Youth Services ▪ Sports Development and Coaching ▪ Music Service ▪ Outdoor Education ▪ Study Support
59	Reform	Public Health	Service Manager: Outdoor Education	Soulbury	£55,001 - £60,000	Permanent	–	Management direction for the following services: ▪ Castleshaw Centre - The Council's outdoor education centre ▪ Act as Outdoor Education Advisor for Oldham Schools, Youth Service and other settings, including Looked After Children
60	Reform	Public Health	Head of Libraries, Heritage & Arts	SM1	£60,001 - £65,000	Permanent	–	Management direction for the following services: ▪ Library & Lending Services ▪ Local Studies & Archives ▪ Gallery Oldham ▪ Arts development & delivery

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
61	Reform	Public Health	Arts & Heritage Manager	SM2	£50,001 - £55,000	Permanent	–	Management direction for the following services: ▪ Strategic management of Arts & Heritage teams ▪ Seek external funding and identify income generating/efficiency opportunities ▪ Build effective public, private and voluntary sector partnerships
62	Reform	Public Health	Libraries & Information Manager	SM2	£50,001 - £55,000	Permanent	–	Management direction for the following services: ▪ Strategic management of Library Services ▪ Management of the central and district libraries ▪ Management of specialist library services, e.g. Home Library service and Children's Library
63	Reform	Public Health	Head of Music Service	Soulbury	£55,001 - £60,000	Permanent	£500 - Car Allowance	Management direction for the following services: ▪ Music in Schools ▪ Music services delivered at the Lyceum Music Centre
64	Reform	Communications, Strategy & Reform	Assistant Director for Communications, Strategy & Reform	Asst. Director	£70,001 - £75,000	Permanent	–	Management direction for the following services: ▪ Communications & Marketing ▪ Strategy & Policy ▪ Executive Support
65	Reform	Communications, Strategy & Reform	Head of Communications	SM1	£60,001 - £65,000	Permanent	£80 - Local Elections Payment	Management direction for the following services: ▪ Corporate communications, marketing and media management
66	Reform	Programme Management	Head of Programme Management Office	SM1	£60,001 - £65,000	Permanent	£155 - Local Elections Payment	Management direction for the following services: ▪ Development of structured project & programme planning process ▪ Technical support and co-ordination for corporate projects and programmes ▪ Technical support for corporate change programmes
67	Reform	Business Intelligence	Head of Business Intelligence	SM1	£60,001 - £65,000	Permanent	£60 - Local Elections Payment	Management direction for the following services: ▪ Research and Intelligence relating to the Borough of Oldham ▪ Performance monitoring of services & service improvement ▪ Support for external inspections & assessment

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
68	Corporate & Commercial Services	Legal Services	Assistant Borough Solicitor	Asst. Director	£75,001 - £80,000	Permanent	£5,000 Honorarium for Greater Manchester Waste Disposal Authority responsibilities £420 - Local Elections Payment	Management direction for the following services: ▪ Policy Legal team ▪ Community Legal team ▪ Environment Legal team ▪ Family Legal team
69	Corporate & Commercial Services	Legal Services	Group Lawyer (Corporate)	SM2	£50,001 - £55,000	Permanent	£170 - Local Elections Payment	Management of the following team: ▪ Corporate Legal team
70	Corporate & Commercial Services	Legal Services	Group Lawyer (Environment)	SM2	£50,001 - £55,000	Permanent	–	Management of the following team: ▪ Environment Legal team
71	Corporate & Commercial Services	Legal Services	Group Lawyer (Family)	SM2	£50,001 - £55,000	Permanent	£500 - Car Allowance	Management of the following team: ▪ Family Legal team
72	Corporate & Commercial Services	Legal Services	Group Lawyer (Policy)	SM2	£50,001 - £55,000	Permanent	£220 - Local Elections Payment	Management of the following team: ▪ Policy Legal team
73	Corporate & Commercial Services	People Services	Head of Shared & Collaborative Services	SM1	£60,001 - £65,000	Permanent	–	Operational Management for the following services: ▪ People Contract Management ▪ People Metrics
74	Corporate & Commercial Services	People Services	Head of Organisational Development	SM1	£60,001 - £65,000	Permanent	–	Management direction for the following services: ▪ People Change ▪ Organisational Development ▪ Development Academy delivery team
75	Corporate & Commercial Services	People Services	Head of People Services	SM1	£60,001 - £65,000	Interim	–	Management direction for the following services: ▪ People Relations ▪ Business Partners ▪ Pay & Reward
76	Corporate & Commercial Services	Commercial Services	Assistant Commercial Director	Asst. Director	Vacant	Permanent	–	Management support for the following services: ▪ Advising on and developing the Council's traded ventures to ensure their commercial success ▪ Leading robust management of complex high value contracts & relationships ▪ Ensuring minimisation of risk, maximisation of value and quality, with legislative compliance for all procurement practice

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
77	Corporate & Commercial Services	Commercial Services	Chief Information Officer	SM1	Vacant	Permanent	–	Management support for the following services: ▪ Effective monitoring, management & governance of Unity ICT on behalf of the Council ▪ Expertise of advice & guidance relating to use and impact of ICT for the Council ▪ Oversight of ICT support given to Schools
78	Corporate & Commercial Services	Commercial Services	Senior Sourcing Manager	SM2	Vacant	Permanent	–	Management support for the following services: ▪ Development of procurement practice compliant with associated legislation ▪ Manage all aspects of the Sourcing Lifecycle ▪ Delivery of the Sourcing Strategy
79	Corporate & Commercial Services	Finance Service	Assistant Director - Directorate Finance	Asst. Director	Vacant	Permanent	–	Management direction for the following services: ▪ Enabling the Council and its partners to prioritise the best use of resources to support outcomes ▪ Providing professional financial advice and guidance to support innovation and transformation across the Borough ▪ Supporting the Council in the identification and implementation of innovative solutions to ensure its future financial sustainability
80	Corporate & Commercial Services	Finance Service	Senior Finance Manager	SM1	£60,001 - £65,000	Permanent	£80 - Local Elections Payment	Management support for the following services: ▪ Facilitating the effective use of financial resources to meet corporate objectives ▪ Ensuring a robust framework is in place to implement, monitor and report the financial implications for decision making ▪ Technical advice and guidance to the Council's Senior Leadership Team and Elected Members
81	Corporate & Commercial Services	Finance Service	Finance Manager	SM2	£50,001 - £55,000	Permanent	£80 - Local Elections Payment	Contribute to: ▪ Ensuring a robust framework is in place to implement, monitor and report the financial implications for decision making ▪ Giving technical advice and guidance to senior managers within the Council ▪ Supporting the development of innovative solutions to safeguard the long-term financial position of the Council

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
82	Corporate & Commercial Services	Finance Service	Finance Manager	SM2	£50,001 - £55,000	Permanent	–	Contribute to: ▪ Ensuring a robust framework is in place to implement, monitor and report the financial implications for decision making ▪ Giving technical advice and guidance to senior managers within the Council ▪ Supporting the development of innovative solutions to safeguard the long-term financial position of the Council
83	Corporate & Commercial Services	Finance Service	Senior Finance Manager	SM1	£60,001 - £65,000	Permanent	£120 - Local Elections Payment	Management support for the following services: ▪ Facilitating the effective use of financial resources to meet corporate objectives ▪ Ensuring a robust framework is in place to implement, monitor and report the financial implications for decision making ▪ Technical advice and guidance to the Council's Senior Leadership Team and Elected Members
84	Corporate & Commercial Services	Finance Service	Finance Manager - Schools	SM2	£50,001 - £55,000	Permanent	–	Contribute to: ▪ Ensuring a robust framework is in place to implement, monitor and report the financial implications for decision making ▪ Giving technical advice and guidance to senior managers within the Council ▪ Supporting the development of innovative solutions to safeguard the long-term financial position of the Council
85	Corporate & Commercial Services	Finance Service	Finance Manager	SM2	£50,001 - £55,000	Permanent	£80 - Local Elections Payment	Contribute to: ▪ Ensuring a robust framework is in place to implement, monitor and report the financial implications for decision making ▪ Giving technical advice and guidance to senior managers within the Council ▪ Supporting the development of innovative solutions to safeguard the long-term financial position of the Council

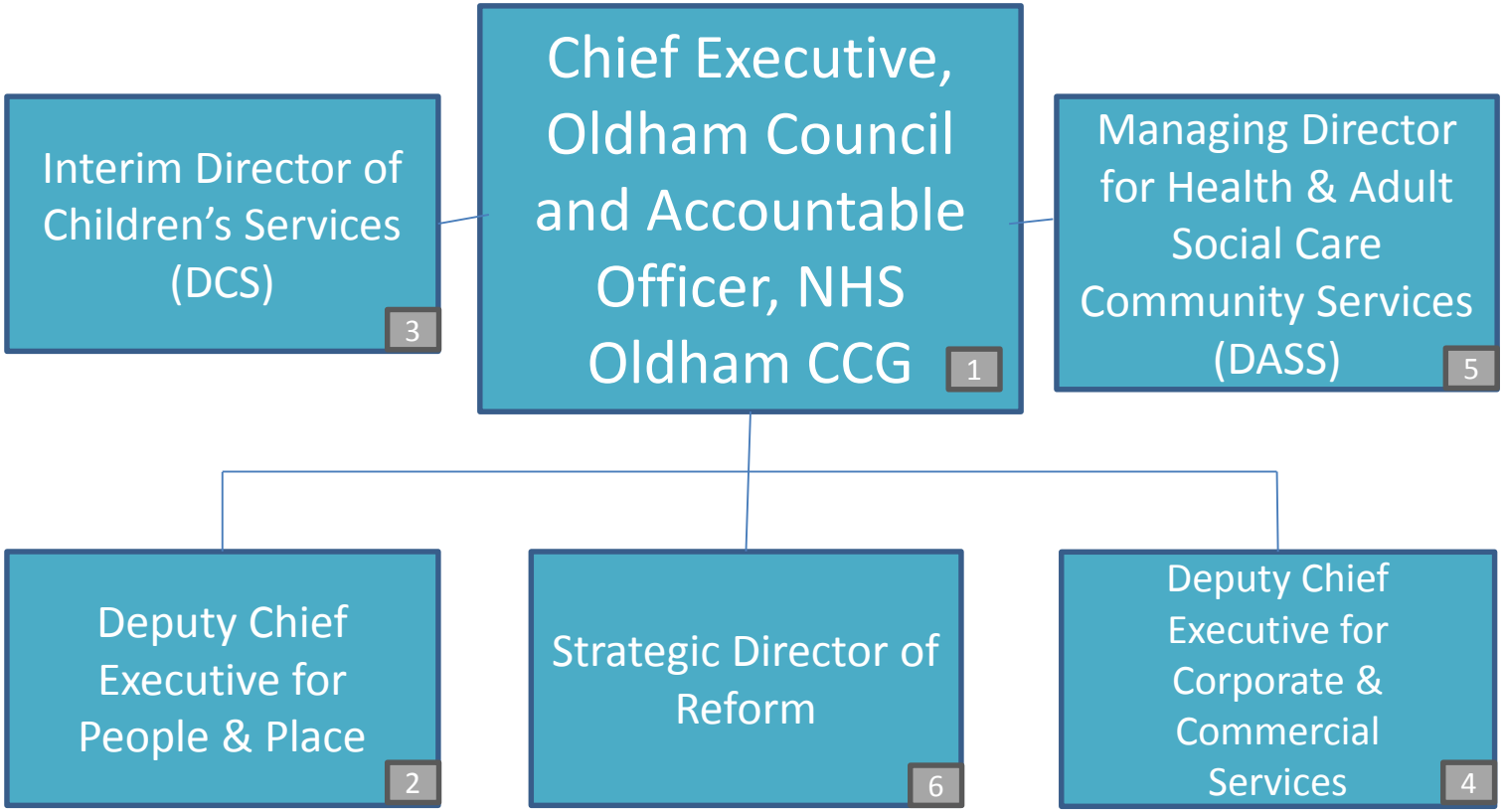
No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
86	Corporate & Commercial Services	Finance Service	Finance Manager	SM2	£50,001 - £55,000	Permanent	£80 - Local Elections Payment	Contribute to: ▪ Ensuring a robust framework is in place to implement, monitor and report the financial implications for decision making ▪ Giving technical advice and guidance to senior managers within the Council ▪ Supporting the development of innovative solutions to safeguard the long-term financial position of the Council
87	Corporate & Commercial Services	Finance Service	Assistant Director - Corporate Finance	Asst. Director	£75,001 - £80,000	Permanent	£120 - Local Elections Payment	Management direction for the following services: ▪ Development of the Council's Medium Term Financial Strategy ▪ Capital & Treasury team ▪ Corporate Control team ▪ Technical/Systems Finance team
88	Corporate & Commercial Services	Finance Service	Finance Manager	SM2	£50,001 - £55,000	Permanent	£80 - Local Elections Payment	Contribute to: ▪ Ensuring a robust framework is in place to implement, monitor and report the financial implications for decision making ▪ Giving technical advice and guidance to senior managers within the Council ▪ Supporting the development of innovative solutions to safeguard the long-term financial position of the Council
89	Corporate & Commercial Services	Finance Service	Finance Manager	SM2	£50,001 - £55,000	Permanent	£230 - Local Elections Payment	Contribute to: ▪ Ensuring a robust framework is in place to implement, monitor and report the financial implications for decision making ▪ Giving technical advice and guidance to senior managers within the Council ▪ Supporting the development of innovative solutions to safeguard the long-term financial position of the Council

No. on Chart	Directorate	Division	Job Title	Grade	Salary Banding	Contract Type	Additional Payments	Responsibilities:
90	Corporate & Commercial Services	Finance Service	Finance Manager	SM2	£50,001 - £55,000	Permanent	–	Contribute to: ▪ Ensuring a robust framework is in place to implement, monitor and report the financial implications for decision making ▪ Giving technical advice and guidance to senior managers within the Council ▪ Supporting the development of innovative solutions to safeguard the long-term financial position of the Council
91	Corporate & Commercial Services	Finance Service	Head of Revenues & Benefits	SM1	£60,001 - £65,000	Permanent	£80 - Local Elections Payment	Management direction for the following services: ▪ Client function for Unity Partnership for Revenue & Benefits ▪ Corporate Complaints ▪ Welfare Rights service
92	Corporate & Commercial Services	Finance Service	Head of Corporate Governance	SM1	£60,001 - £65,000	Permanent	£5,000 Honorarium for Greater Manchester Waste Disposal Authority responsibilities £170 - Local Elections Payment	Management direction for the following services: ▪ Audit team ▪ Counter Fraud team ▪ Risk & Insurance ▪ Information Governance ▪ Financial advice and guidance for the Greater Manchester Waste Authority
93	Corporate & Commercial Services	Finance Service	Audit & Counter Fraud Manager	SM1	£60,001 - £65,000	Permanent	£80 - Local Elections Payment	Management for the following services: ▪ Audit team ▪ Counter Fraud team

* These posts are on reduced hours and hence have a lower actual salary than the advertised grade.

APPENDIX 5b Chart 1 - Family Tree of Officers Earning Over £50,000

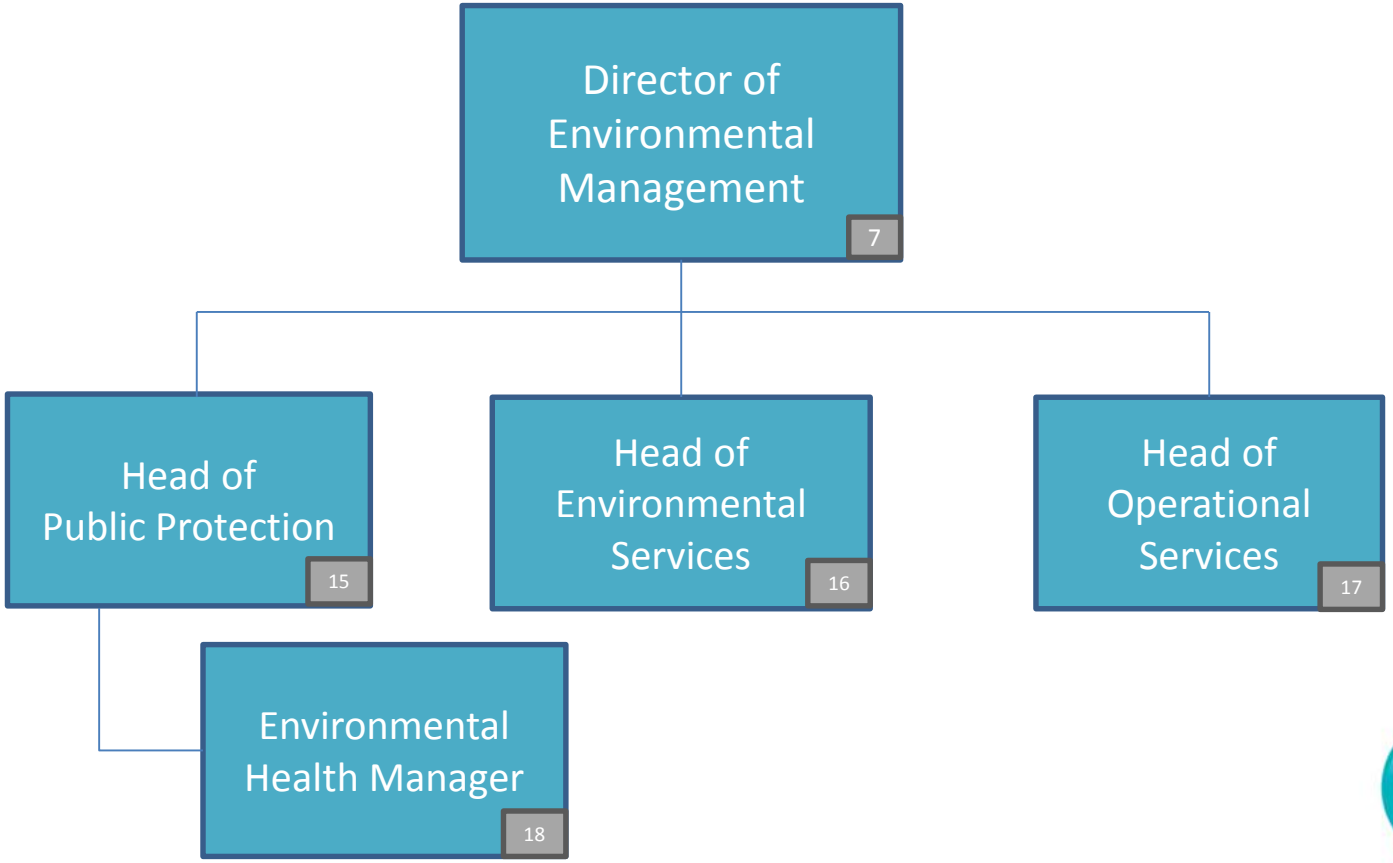
First & Second Tiers



Last update: February 2019

Oldham Council

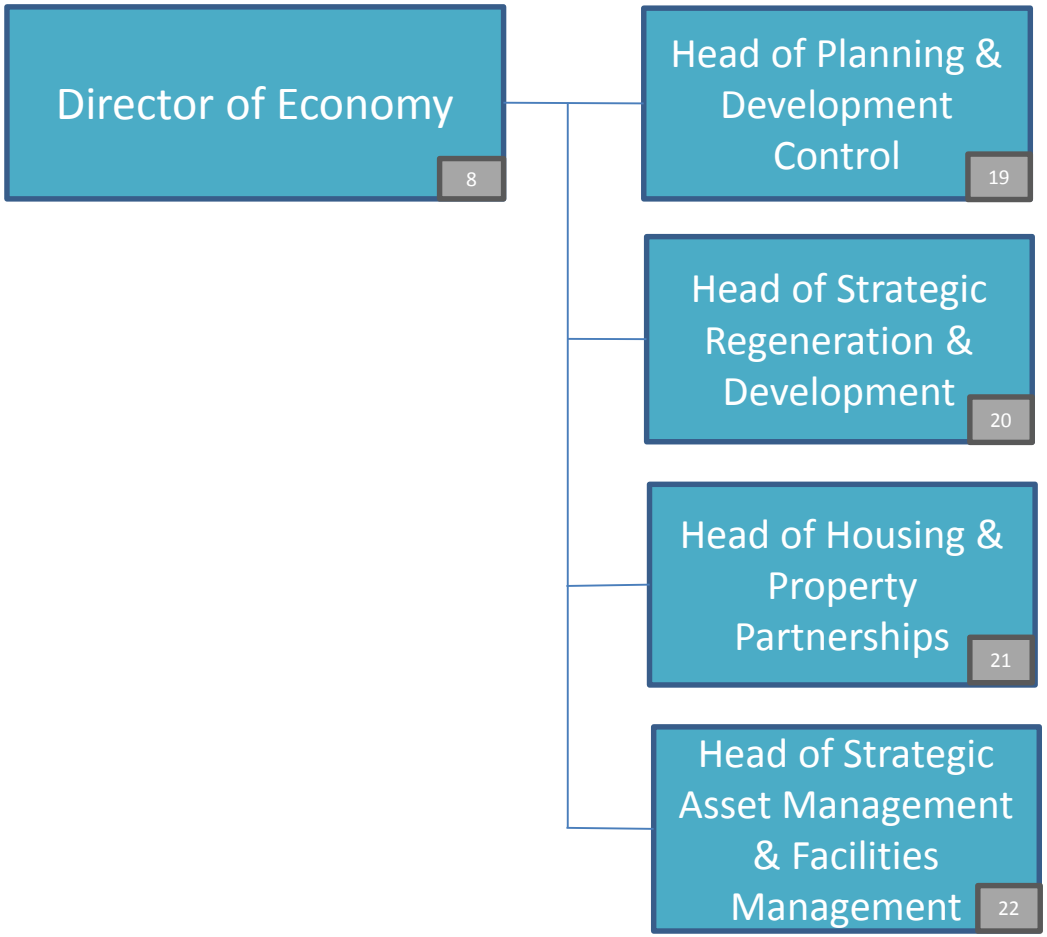
Roles within the People & Place Directorate earning £50,000+ (Page 1 of 2)



Last update: February 2019

Oldham Council

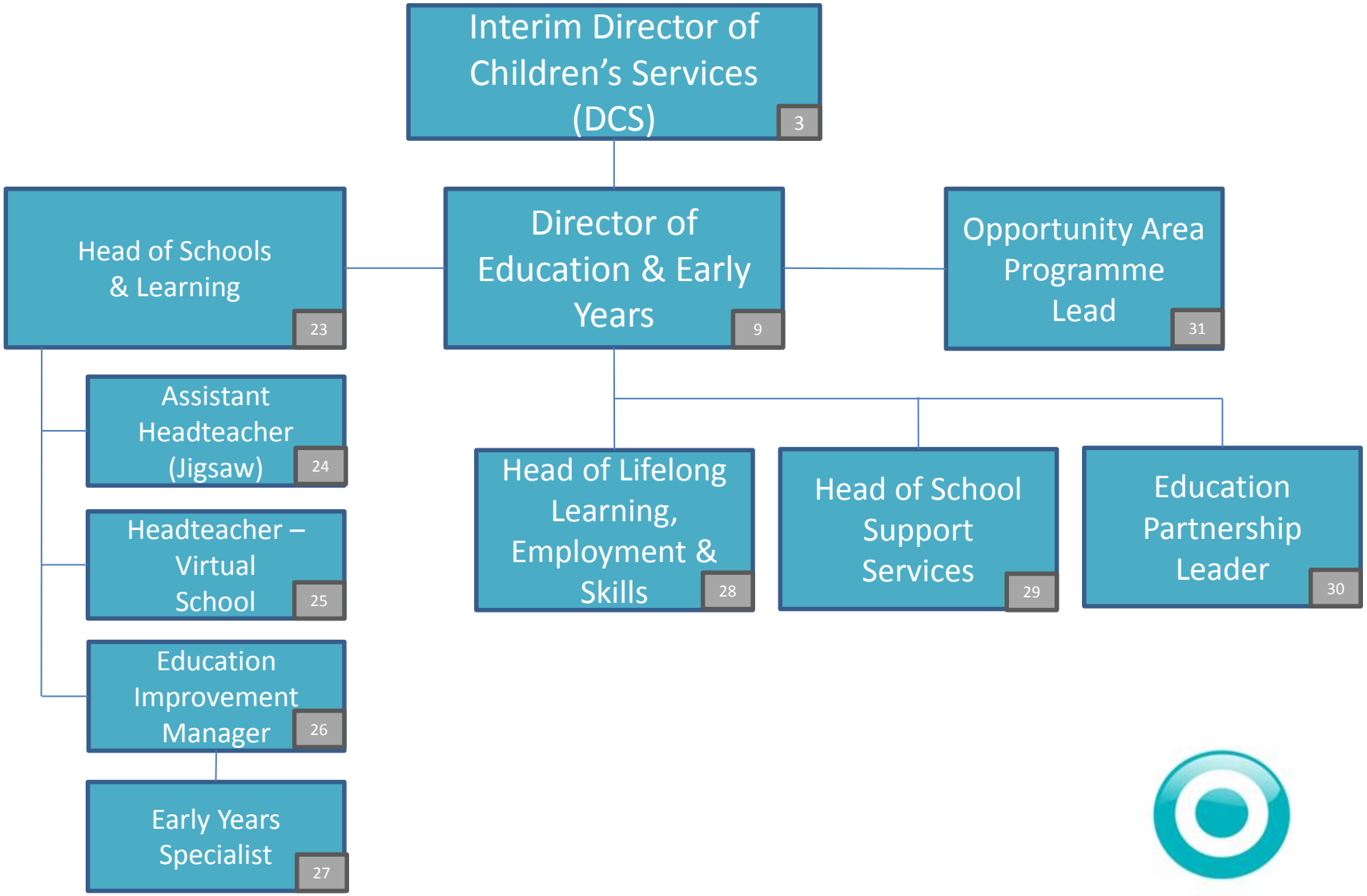
Roles within the People & Place Directorate earning £50,000+ (Page 2 of 2)



Last update: February 2019

Oldham Council

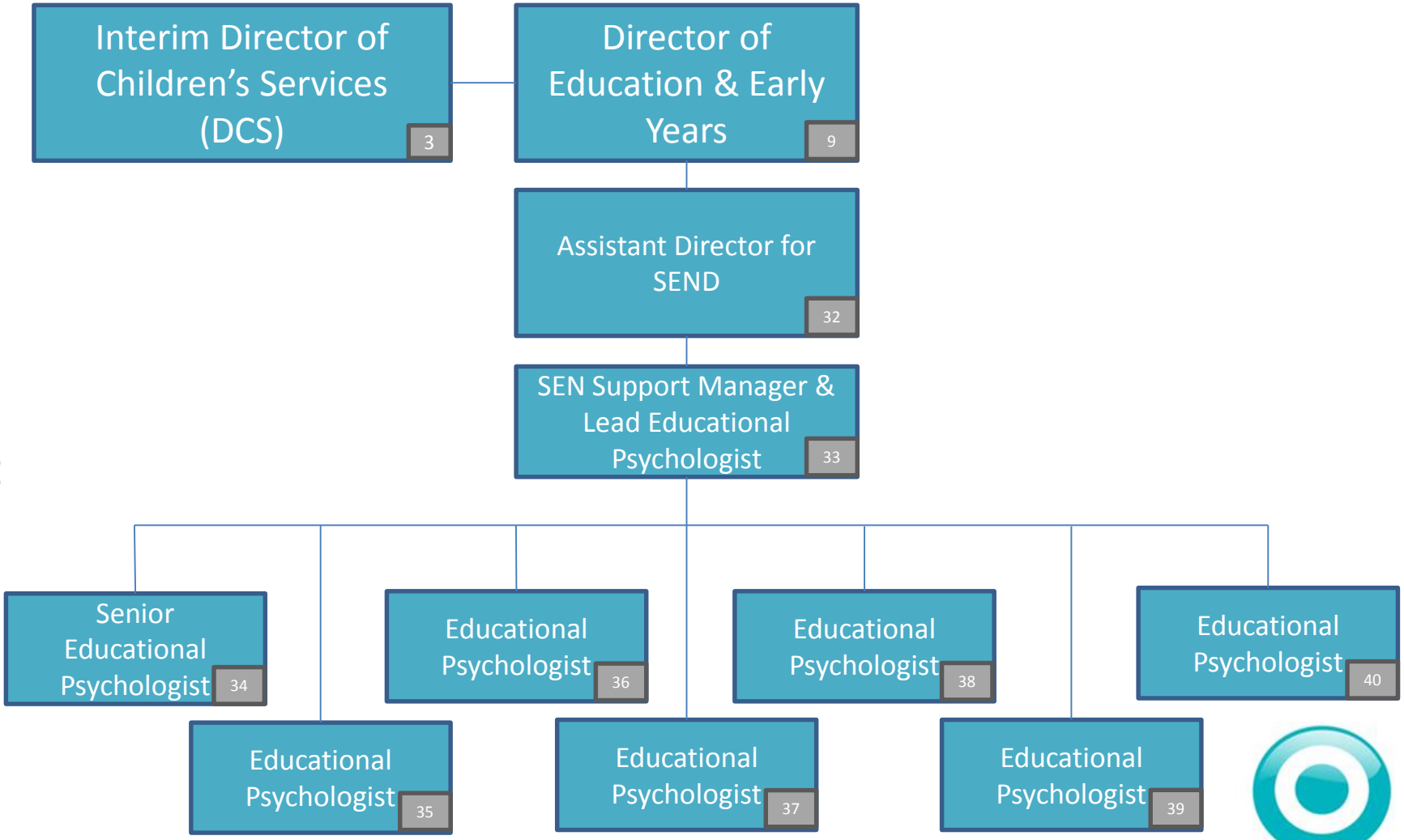
Roles within the Children's Services Directorate earning £50,000+ (Page 1 of 3)



Last update: February 2019

Oldham Council

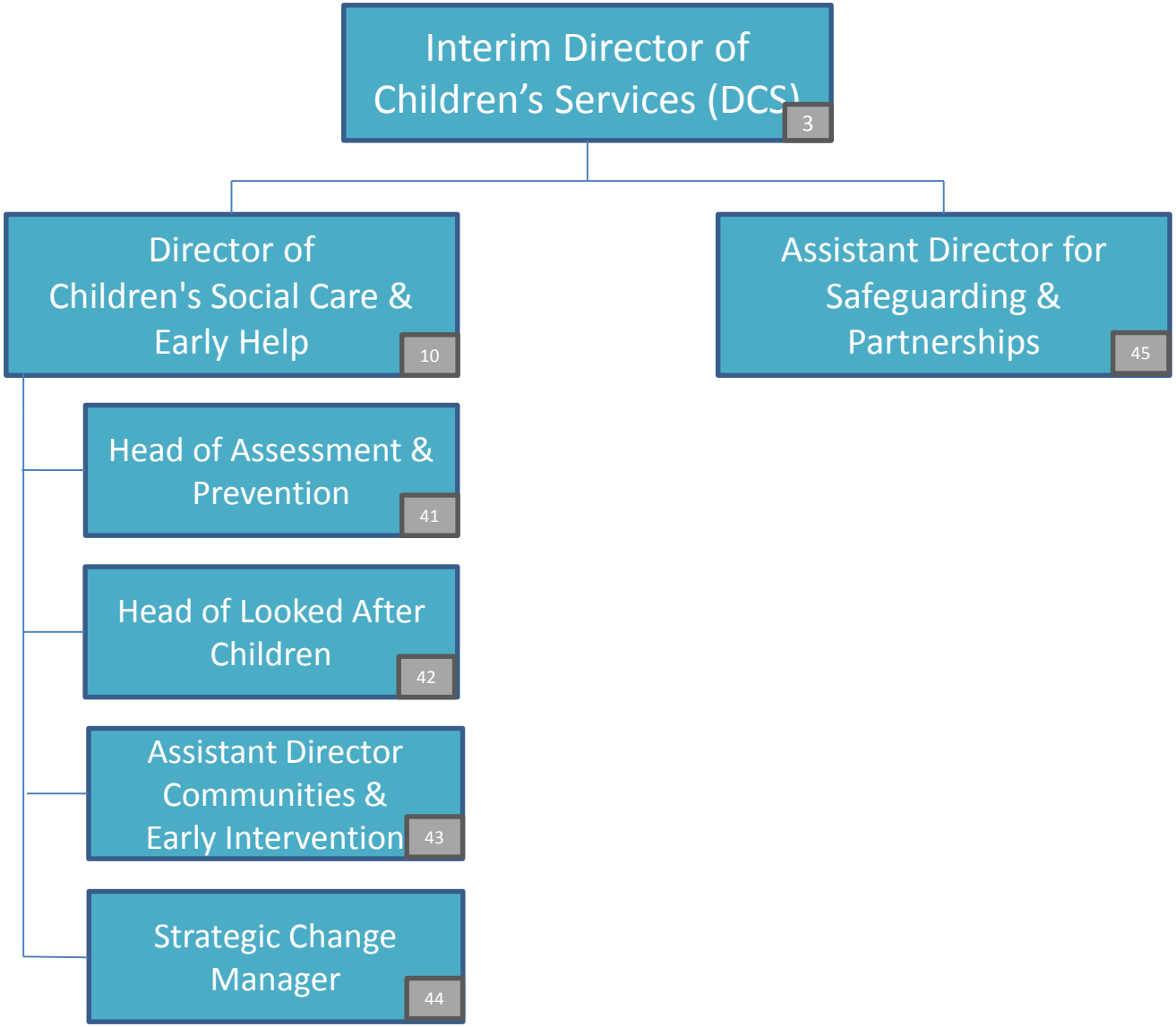
Roles within the Children's Services Division earning £50,000+ (Page 2 of 3)



Last update: February 2019

Oldham Council

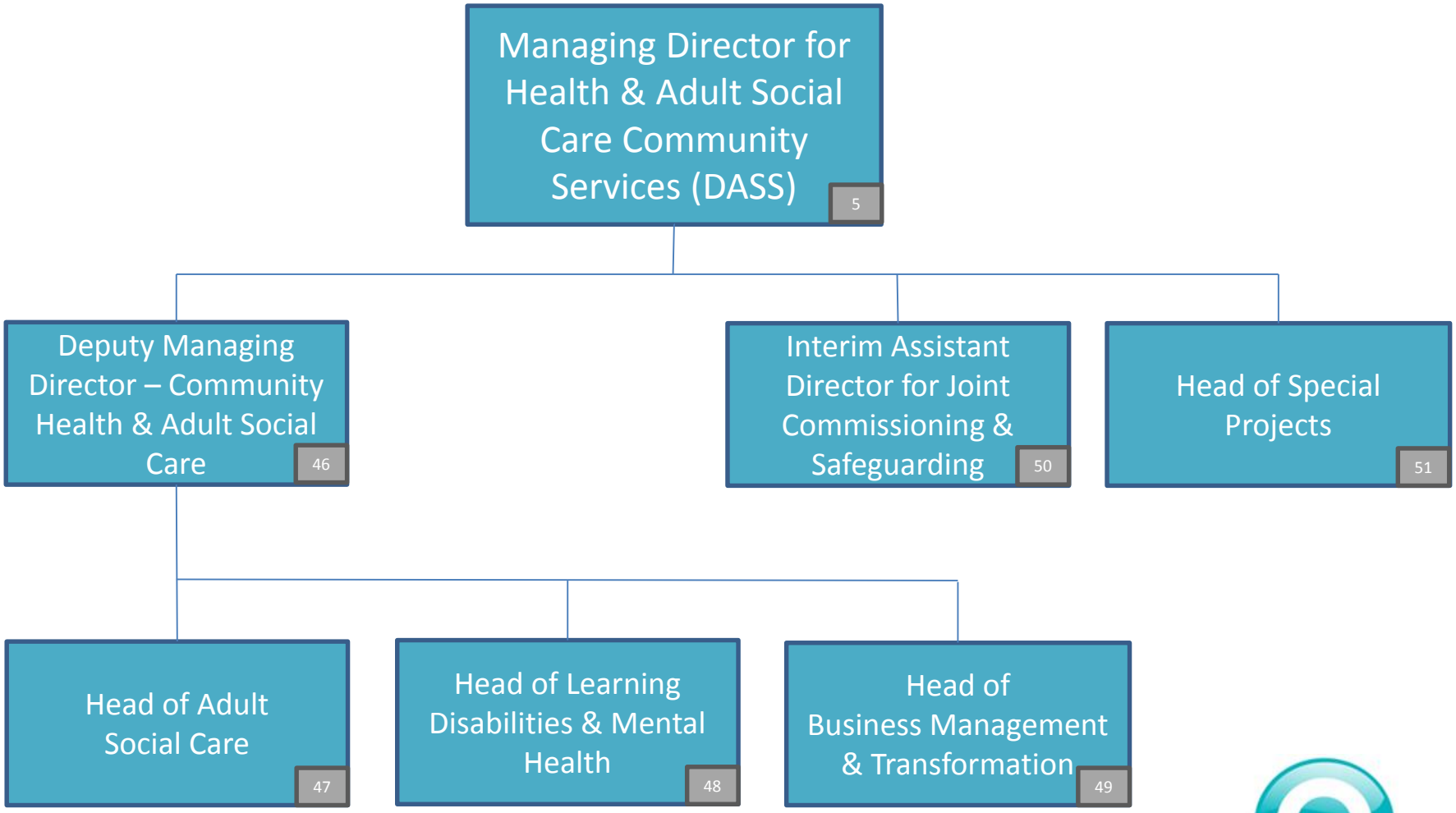
Roles within the Children's Services Division earning £50,000+ (Page 3 of 3)



Last update: February 2019

Oldham Council

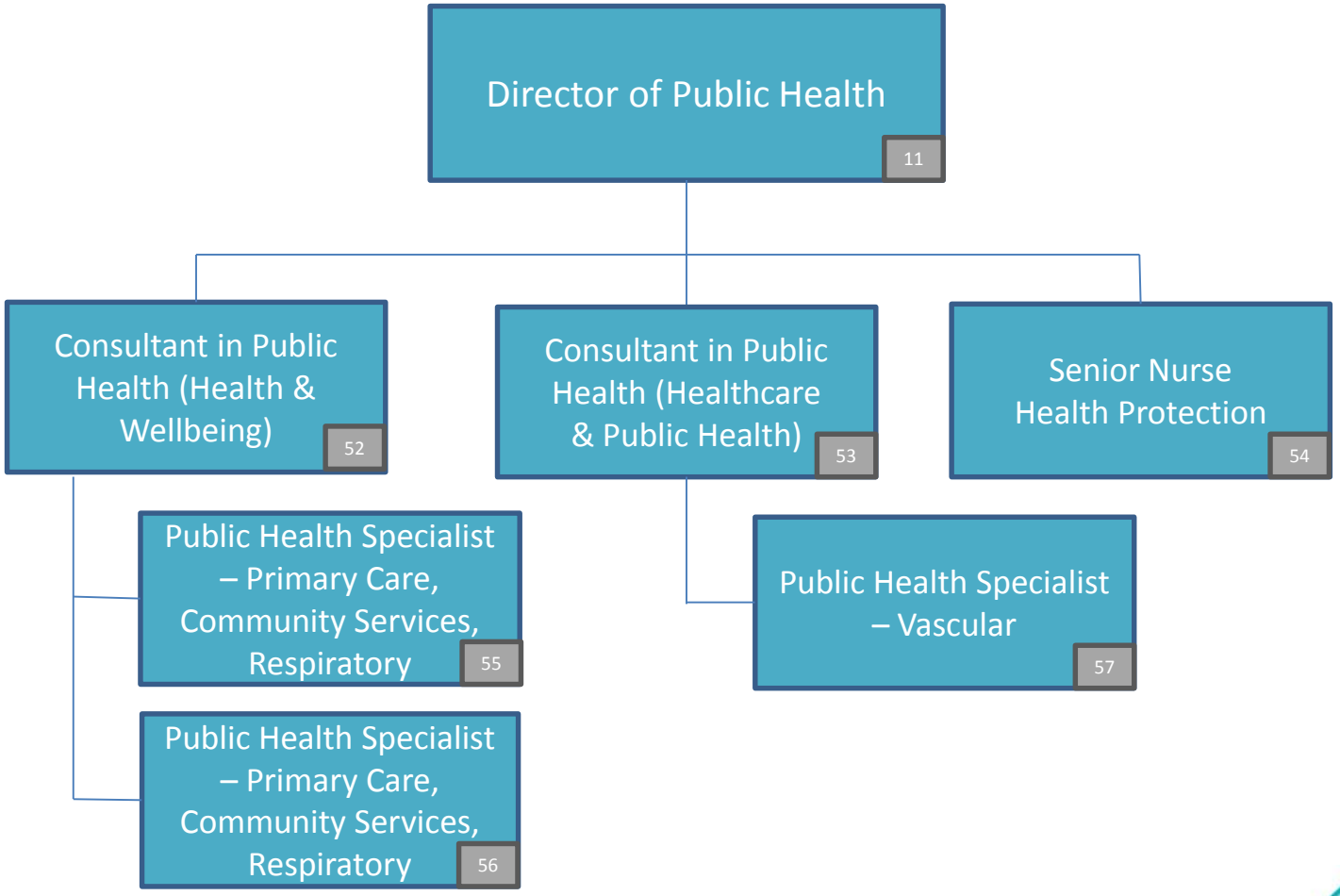
Roles within Health & Adult Social Care Community Services earning £50,000+



Last update: February 2019

Oldham Council

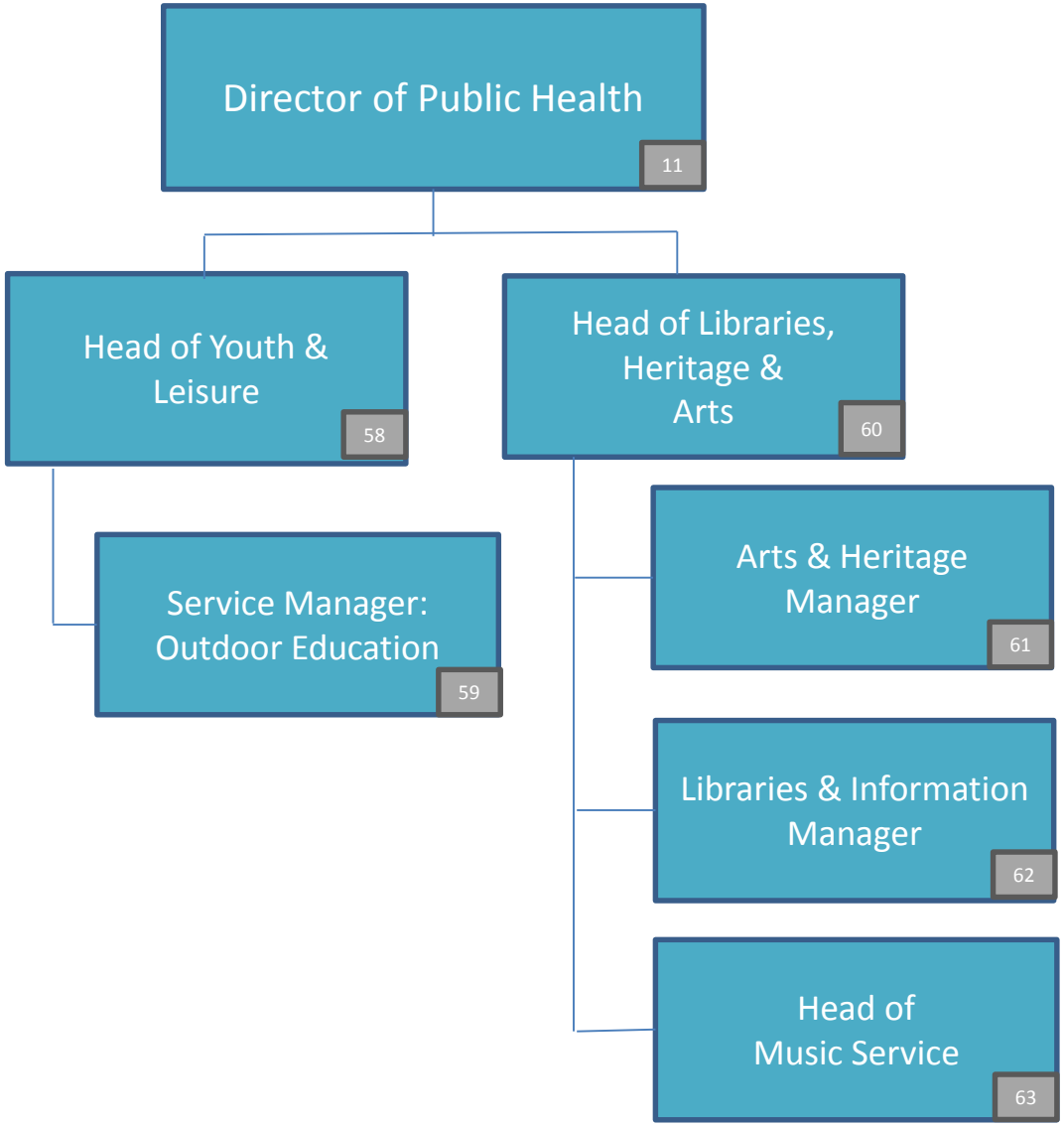
Roles within the Reform Directorate earning £50,000 + (Page 1 of 3)



Oldham Council

Last update: February 2019

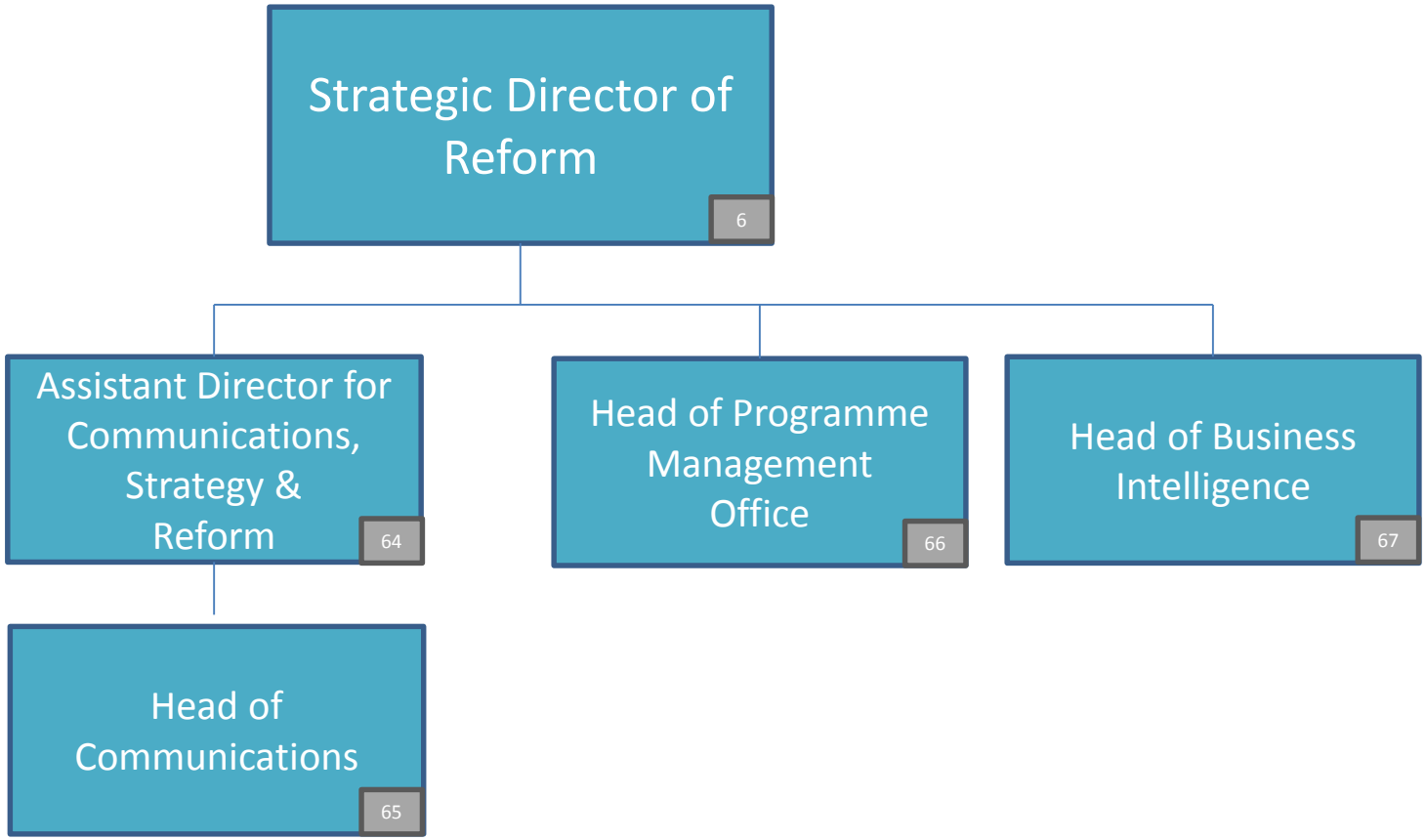
Roles within Reform Directorate earning £50,000 + (Page 2 of 3)



Last update: February 2019

Oldham Council

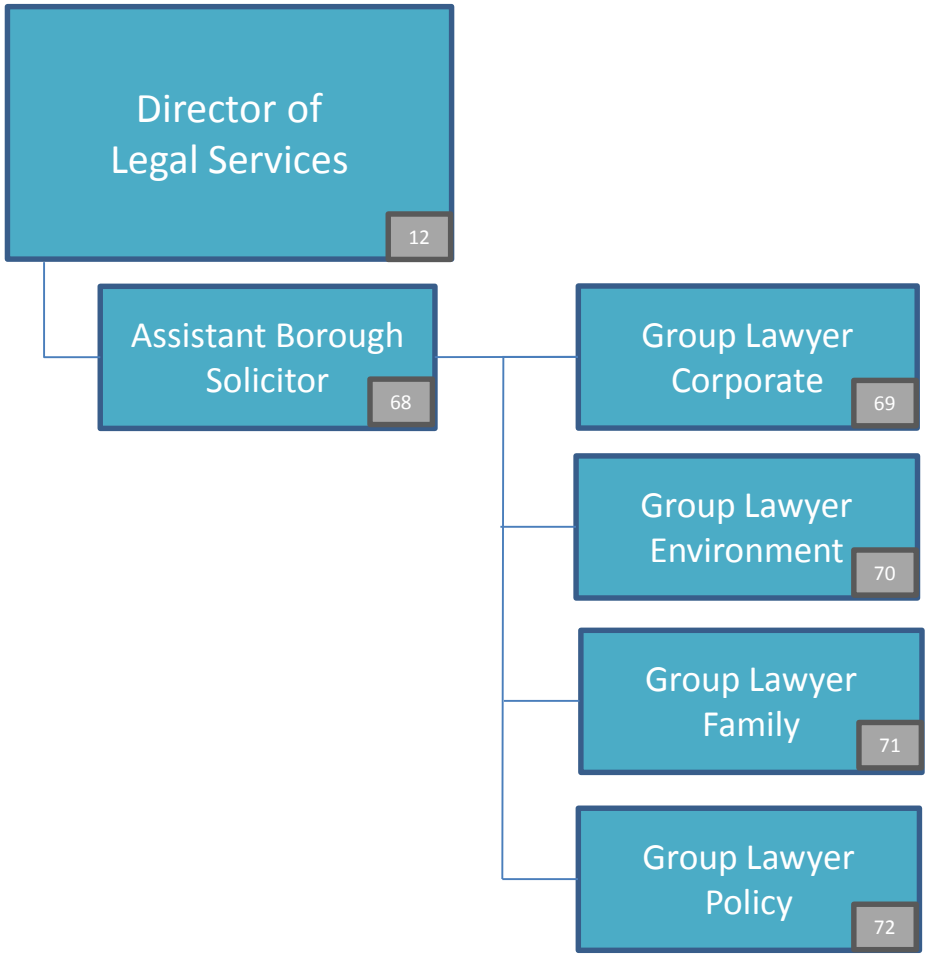
Roles in the Reform Directorate earning £50,000+ (Page 3 of 3)



Last update: February 2019

Oldham Council

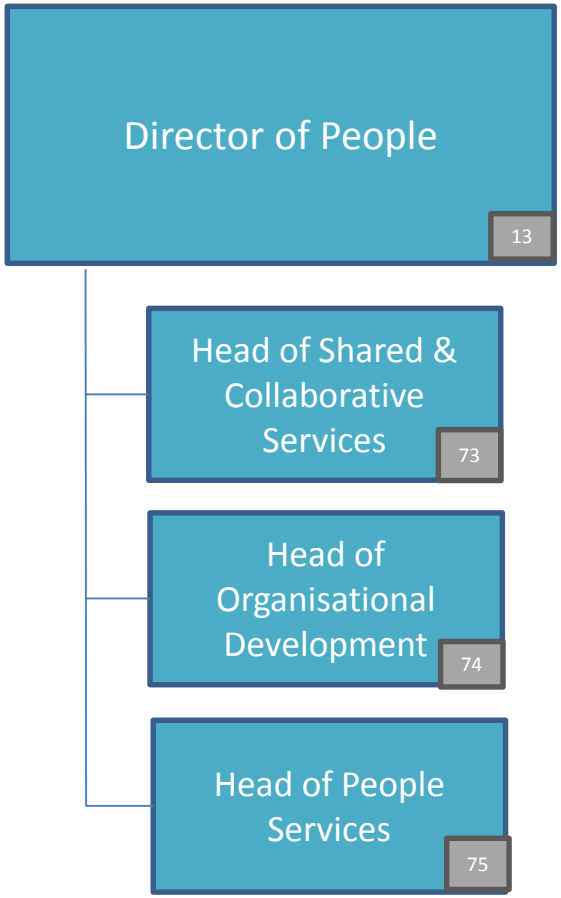
Roles within Corporate & Commercial Directorate earning £50,000+ (Page 1 of 4)



Last update: February 2019

Oldham Council

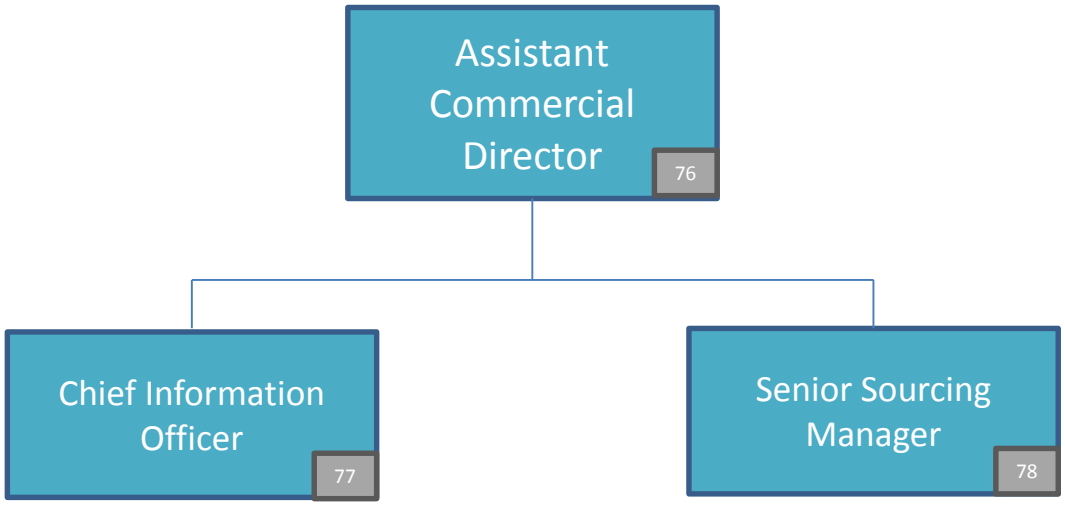
Roles within Corporate & Commercial Directorate earning £50,000+ (Page 2 of 4)



Last update: February 2019

Oldham Council

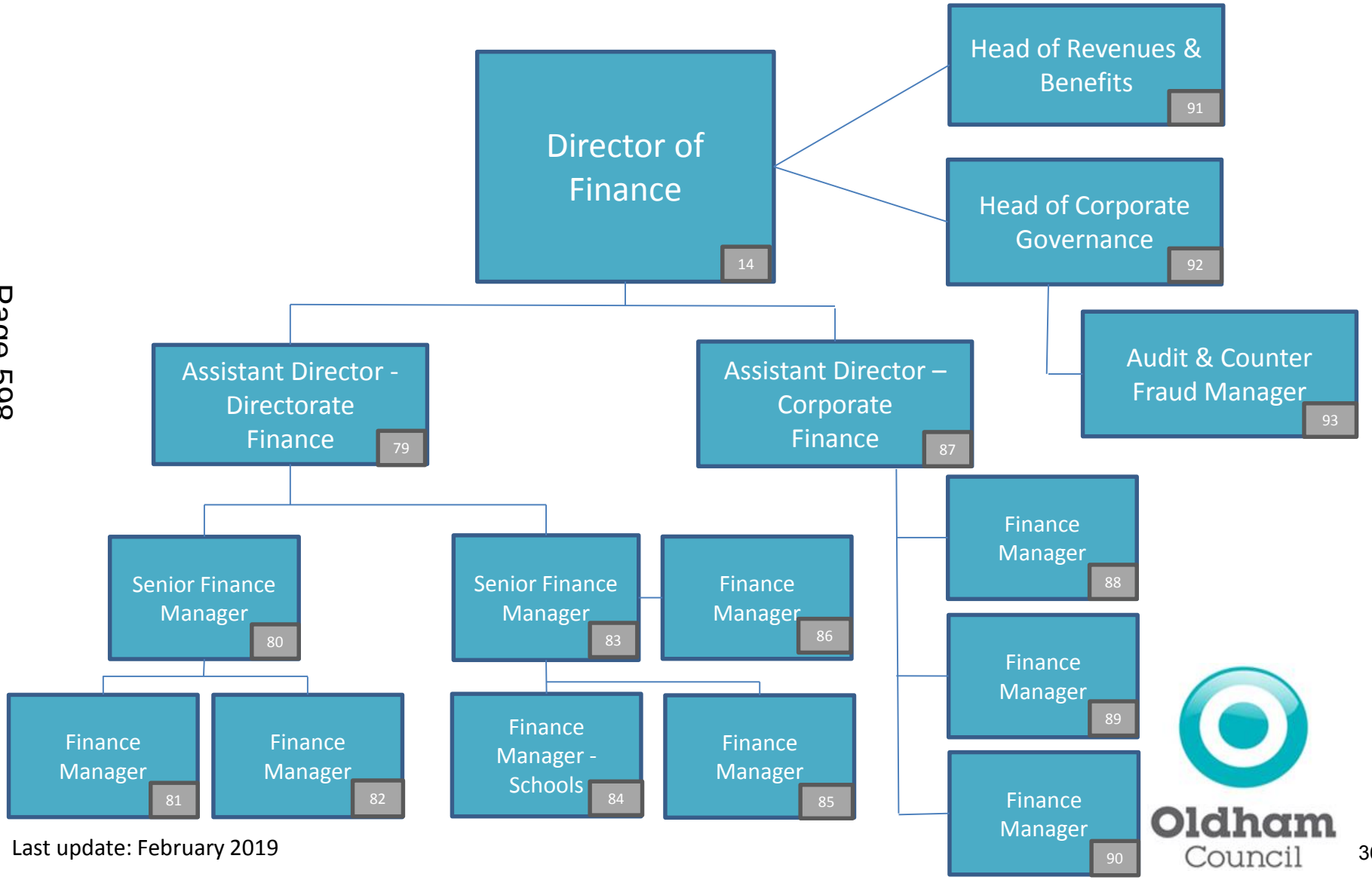
Roles within Corporate & Commercial Directorate earning £50,000+ (Page 3 of 4)



Last update: February 2019

Oldham Council

Roles within the Corporate & Commercial Directorate earning £50,000+ (Page 4 of 4)



Last update: February 2019

Oldham Council

Appendix 5c

Pay Policy Statement Table Two: Salaries expressed as a ratio of the Chief Executive as at December 2018

Oldham Council

Table Two

SALARIES EXPRESSED AS A RATIO OF THE CHIEF EXECUTIVE

	£	RATIO
CHIEF EXECUTIVE	£176,680	-
MEDIAN SALARY	£23,111	1 : 7.64
MEAN SALARY	£25,918	1 : 6.82
LOWEST SALARY	£16,727	1 : 10.56

Figures are based on full time equivalent salaries and last updated 1 December 2018

Appendix 6 - Final Budget Position 2019/20 to 2020/21

Estimated revenue position 2019/20 to 2020/21	2019/20 £000	2020/21 £000
Prior Year Net Revenue Budget	**221,453**	**215,294**
Adjustment to Base Budget - Approved One off Use of Reserves	0	250
Add back one off savings from 2018/19	300	0
Adjustment for new one off funding in 2018/19	(4,532)	0
Removal of 2018/19 Extended Rights to Free Travel Grant	(26)	0
Adjustment for one off funding for Early Help	(689)	(750)
Reduction in New Adult Social Care Funding	(3,902)	(1,586)
Adjustment for one off funding in 2019/20 Winter Pressures Grant	0	(1,122)
Adjustment for one off funding in 2019/20 Social Care Support Grant	0	(1,917)
Adjustment for one off funding in 2019/20 Brexit Preparation Grant	0	(105)
Adjustment for one off funding in 2019/20 - Flexible Homelessness Support Grant	0	(194)
Adjustment for one off funding in 2019/20 - Mayoral Bus Reform Grant	0	(693)
DWP - Reduction in funding for Universal Credit	(155)	0
Flexible Use of Capital Receipts	(3,000)	3,000
Adjustments to the Base Budget	(12,004)	(3,117)
Revised Base Position	**209,449**	**212,177**
Additional Expenditure Pressures for 2019/20 and future years		
- Passporting of Adult Social Care Precept (ASCP)	1,771	1,858
- ASCP Taxbase Growth	89	57
- Passporting of Increased Adult Social Care Grants	6,171	0
- Demand pressures Children's Services	4,611	928
- Pay Inflation	1,884	1,347
- Contractual Inflation	878	896
- Pensions	0	1,681
- GMCA Levy - Waste Disposal Element	585	311
- GMCA Levy - Transport Element	251	418
- GMCA Levy - Contributions to GM-Wide Activities	0	0
- Environment Agency Levy	2	2
- Investment Fund	3,653	4,417
- Flexible Homelessness Support	194	0
- Early Help	750	0
- Brexit Preparations	105	0
- Development Fund	0	1,000
- Software Licenses	250	0
- Street Cleaning	240	180
- Coroners Service	180	20
- Home to School Transport	175	0
- Building Control Fees	167	0
- Get Oldham Working	140	0
- Accommodation Costs - Public Health	382	0
- New Burdens and Service Transfers	0	23,782
- Revised Parish Precept	14	0
Expenditure Pressures Total	22,492	36,897
Proposed Budget Reduction Proposals	(7,829)	(4,616)
Total Expenditure	**224,112**	**244,458**

Estimated revenue position 2019/20 to 2020/21	2019/20 £000	2020/21 £000
Funded By:		
Government Grant		
- Business Rates Top Up	40,653	55,324
- Grants in Lieu of Business Rates	10,503	8,007
- Revenue Support Grant	0	0
- Public Health Grant	0	15,999
- Improved Better Care Fund Grant - Settlement 2015	8,150	8,150
- Improved Better Care Fund Grant - Spring Budget 2017	1,586	0
- Independent Living Fund (ILF) Grant	2,580	2,500
- 2019/20 Winter Pressures Grant	1,122	0
- 2019/20 Social Care Support Grant	1,917	0
- 2019/20 Brexit Preparation Grant	105	0
- Housing Benefit Administration Grant	759	701
- Council Tax Administration Grant	362	340
- New Homes Bonus Grant	961	358
- Department for Work and Pensions (DWP) - New Burdens Grant	104	0
- DWP - Implementation of Universal Credit Grant	68	0
- Flexible Homelessness Support Grant	194	0
- Homelessness New Burdens Grant	62	0
- Lead Local Flood Authority Grant	12	12
Total Government Grant Funding	69,138	91,391
GMCA Grants		
- Mayoral Grant	693	0
Total GMCA Grants	693	0
Locally Generated Income		
- Retained Business Rates	50,826	40,490
- Council Tax Income	85,399	87,977
- Adult Social Care Precept 2016/17	1,579	1,592
- Adult Social Care Precept 2017/18	1,638	1,652
- Adult Social Care Precept 2018/19	1,703	1,718
- Adult Social Care Precept 2019/20	1,771	1,786
- Adult Social Care Precept 2020/21	0	1,858
- Parish Precepts	278	278
- Collection Fund Surplus	2,269	0
Total Locally Generated Income	145,463	137,351
Revised Budget Funding	**215,294**	**228,742**
Budget Gap	**8,818**	**15,716**
Approved Use of Reserves 2016/17	(250)	0
GMCA Returned Resources - Business Rates Pilot Surplus	(1,825)	1,825
Business Rates Retention - National Levy Account 2018/19 Surplus	(978)	978
2017/18 Business Rates Pilot Scheme Gain	(500)	500
2018/19 Business Rates Pilot Scheme Gain	(1,218)	1,218
2019/20 Business Rates Pilot Scheme Gain	0	(1,413)
Waste Smoothing Reserve	(157)	157
Proposed Additional Use of Reserves	(3,890)	3,890
Total Use of Reserves	(8,818)	7,155
Net Gap/Budget Reduction Requirement	**0**	**22,871**

Appendix 7 - Summary Final MTFS Position 2019/20 to 2023/24

Estimated revenue position 2019/20 to 2023/24	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Prior Year Net Revenue Budget	**221,453**	**215,294**	**228,742**	**234,583**	**241,039**
Adjustments to the Base Budget	(12,004)	(3,117)	0	0	0
Revised Base Position	**209,449**	**212,177**	**228,742**	**234,583**	**241,039**
Additional Expenditure Pressures for 2019/20 and future years					
Expenditure Pressures Total	22,492	36,897	17,317	13,315	10,974
Proposed Budget Reduction Proposals	(7,829)	(4,616)	(2,000)	0	0
Total Expenditure	**224,112**	**244,458**	**244,059**	**247,898**	**252,013**
Total Government Grant Funding	69,138	91,391	91,968	92,645	93,431
Total GMCA Grants	693	0	0	0	0
Total Locally Generated Income	145,463	137,351	142,615	148,394	154,422
Revised Budget Funding	**215,294**	**228,742**	**234,583**	**241,039**	**247,853**
Budget Gap	**8,818**	**15,716**	**9,476**	**6,859**	**4,160**
Total Use of Reserves	(8,818)	7,155	1,413	0	0
Net Gap/Budget Reduction Requirement	**0**	**22,871**	**10,889**	**6,859**	**4,160**

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APPENDIX 8

CALCULATION OF COUNCIL TAX TAX BASE 2019/20 (Based on all properties)

Bands	A reduced	A	B	C	D	E	F	G	H	TOTAL
Total number of Dwellings on the Valuation List		50,469	17,141	16,134	6,865	3,272	1,523	881	81	96,366
Total number of Exempt and Disabled Relief Dwellings on the Valuation List	129	(1,164)	(220)	(271)	(91)	(44)	(4)	(17)	(22)	(1,704)
No. of Chargeable Dwellings	129	49,305	16,921	15,863	6,774	3,228	1,519	864	59	94,662
Less: Estimated discounts, exemptions and disabled relief	(8.25)	(5,677.5)	(1,439.75)	(1,138)	(367.25)	(148.75)	(76)	(42.25)	(3)	(8,900.75)
Total equivalent number of dwellings after discounts, exemptions and disabled relief	120.75	43,627.5	15,481.25	14,725	6,406.75	3,079.25	1,443	821.75	56	85,761.25
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	67.1	29,085	12,041	13,088.9	6,406.75	3,763.5	2,084.3	1,369.6	112	68,018.2
Net effect of Local Council Tax Support Scheme (LCTSS) and other adjustments										(10,598.8)
Additional Net Dwellings in 2018/19 based on known regeneration within the Borough and reductions in the levels of discounts and exemptions										1,027
TOTAL AFTER LCTSS AND OTHER ADJUSTMENTS										58,446.4
Multiplied by estimated collection rate										97.00
BAND D EQUIVALENTS										**56,693**

For information: Parish Council Tax Tax Bases – Saddleworth 8,627 Shaw & Crompton 5,438

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Council Tax 2019/20

APPENDIX 9

Band	Oldham Council (Including Adult Social Care Precept) £	Mayoral Police and Crime Commissioner Precept £	Mayoral General Precept (including Fire Services) £	Saddleworth Parish Precept £	Shaw and Crompton Parish Precept £
A	1,082.90	132.20	51.29	14.50	11.02
B	1,263.39	154.23	59.84	16.92	12.85
C	1,443.87	176.27	68.39	19.34	14.69
D	1,624.36	198.30	76.95	21.76	16.53
E	1,985.32	242.37	94.05	26.59	20.20
F	2,346.29	286.43	111.15	31.43	23.87
G	2,707.26	330.50	128.24	36.26	27.55
H	3,248.72	396.60	153.90	43.52	33.06

Oldham - Inclusive of Mayoral Precepts

Band	2018/19 £	2019/20 £
A	1,202.85	1,266.39
B	1,403.33	1,477.46
C	1,603.80	1,688.53
D	1,804.29	1,899.61
E	2,205.24	2,321.74
F	2,606.20	2,743.87
G	3,007.14	3,166.00
H	3,608.58	3,799.22

Saddleworth Parish Total Council Tax

Band	2018/19 £	2019/20 £
A	1,216.69	1,280.89
B	1,419.47	1,494.38
C	1,622.25	1,707.87
D	1,825.05	1,921.37
E	2,230.61	2,348.33
F	2,636.18	2,775.30
G	3,041.74	3,202.26
H	3,650.10	3,842.74

Shaw and Crompton Parish Total Council Tax

Band	2018/19 £	2019/20 £
A	1,213.65	1,277.41
B	1,415.93	1,490.31
C	1,618.20	1,703.22
D	1,820.50	1,916.14
E	2,225.05	2,341.94
F	2,629.61	2,767.74
G	3,034.15	3,193.55
H	3,641.00	3,832.28

In 2019/20 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	Adult Social Care Precept Element £
A	78.68
B	91.79
C	104.90
D	118.02
E	144.24
F	170.47
G	196.70
H	236.04

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Indicative Net Revenue Budget Presentation 2019/20

Appendix 10

Portfolio / Directorate Area	2018/19 Re-aligned Original Net Revenue Budget £000	2019/20 Budget Adjustments £000	2019/20 Budget Reductions £000	2019/20 Total Net Revenue Budget £000
People and Place				
Children's Social Care	31,151	4,598	(175)	**35,574**
Community Services	3,962	289	(178)	**4,073**
Economic Development	4,742	(1,976)	(742)	**2,024**
Education and Early Years	1,866	500	(74)	**2,292**
Enterprise and Skills	816	648	(39)	**1,425**
Environmental Services	52,208	2,334	(645)	**53,897**
	94,745	**6,393**	**(1,853)**	**99,285**
Health & Adult Social Care Community Services				
Adult Social Care Support	175	(160)	0	**15**
Client Support Services	1,412	276	(40)	**1,648**
Commissioning	18,427	1,212	(231)	**19,408**
Director Adult Social Care	(9,167)	3,123	(21)	**(6,065)**
Learning Disability and Mental Health	20,070	(1,474)	(42)	**18,554**
Older People and Safeguarding Services	23,431	1,843	(104)	**25,170**
	54,348	**4,820**	**(438)**	**58,730**
Reform				
Business Intelligence	881	38	(116)	**803**
Executive Support	544	58	(43)	**559**
Heritage, Libraries and Arts	5,261	82	(219)	**5,124**
Leisure and Youth Services Client	2,603	201	(26)	**2,778**
Marketing and Communications	757	57	(95)	**719**
Policy	495	(146)	(92)	**257**
Programme Management Office	182	(164)	(18)	**0**
Public Health (Client and Delivery)	17,393	78	(70)	**17,401**
	28,116	**204**	**(679)**	**27,641**
Corporate and Commercial Services				
Commercial Services	5,587	548	(1,592)	**4,543**
Finance (Including Insurance)	11,400	(105)	(951)	**10,344**
Legal Services	3,061	236	(116)	**3,181**
People	2,022	512	(164)	**2,370**
	22,070	**1,191**	**(2,823)**	**20,438**
Chief Executive				
Chief Executive	3,312	365	(36)	**3,641**
	3,312	**365**	**(36)**	**3,641**
Parish Precepts				
Parish Precepts and Grants	298	(1)	0	**297**
	298	**(1)**	**0**	**297**
Capital, Treasury, Corporate and Technical Accounting Budgets				
Capital, Treasury, Corporate and Technical Accounting Budgets	14,032	2,048	(2,000)	**14,080**
	14,032	**2,048**	**(2,000)**	**14,080**
Net Revenue Expenditure Budget	**216,921**	**15,020**	**(7,829)**	**224,112**

Revised presentation to reflect current organisational structure and updated financial management reporting arrangements

The Indicative Budget includes the impact of cross cutting budget reductions

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Report to Council

Liberal Democrats Budget Amendment Proposals 2019/20

Portfolio Holder: Deputy Leader of the Main Opposition, and Lead Member for Finance and Corporate Resources, Liberal Democrat Group, Councillor Chris Gloster

Officer Contact: Mark Stenson, Head of Corporate Governance
Ext. 4783

27 February 2019

Reason for Decision

The report presents to Council the Liberal Democrats suggested amendments to the Administration's Budget proposals for 2019/20 and offers some forward looking proposals to achieve savings in future years.

Executive Summary

The report presents to Council a number of 2019/20 budget amendments in addition to the budget proposals presented by the Administration.

This report identifies additional savings totalling £1.019m in 2019/20, £0.723m in 2020/21 and £0.370m in 2021/22 which can be considered individually or collectively. There are also initial investments that will be funded from the range of savings proposals put forward to offset the increased expenditure. Details of the investment and savings proposals can be found in section 3 and in summary at Appendix A. Business cases for the individual budget reductions can be found at Appendix B.

Following the presentation of the Liberal Democrat Budget Amendment proposals to Overview and Scrutiny Performance and Value for Money (PVFM) Select Committee on 5 February 2019, the Committee did recommend to Cabinet that:

> a) The Administration may want to complete a review of car allowances (OPP-BR1-105) in 2019/20 as part of a wider review of the reward and recognition package with a potential to consider the proposal for future years once this review has been completed.
> b) The Administration evaluate the proposal for Bus Lane Enforcement (OPP-BR1-108) and consider it for future financial years once the current Administration proposals are bedded in and proven to be effective.

c) The proposal concerning the new Healthcare Centre in Crompton be pursued via alternative routes such as a conversation between appropriate shadow Cabinet members of the Liberal Democrat Group and Officers of the Council to see whether a scheme could emerge as part of the corporate strategy.

The Liberal Democrat's note that the Administration is content to accept these recommendations for evaluation and consideration of the proposals noted above and, if appropriate, incorporate them into its own budget in future years.

Recommendations

Council agrees that:

1. The Investment and Savings proposals for 2019/20 as summarised at Appendix A are approved.

2. The work required to deliver the 2020/21 proposals is started immediately so the opportunity to generate savings in future years is not compromised.

3. The Administration reviews within its Capital Strategy the feasibility to develop a new Crompton Healthcare Centre to maximise external investment already agreed.

4. An in depth review of recycling rates within the borough is presented to a future PVFM meeting with a view to identifying suggested improvements which will have the long term impact of potentially reducing the levy which will support future budgets.

Liberal Democrats Budget Amendment Proposals 2019/20

1. Background

1.1 The Council is required by legislation to produce a balanced budget each financial year. Notwithstanding the legislative requirement to set a budget, financial plans are important because they set out the financial management of the Council's policies and guide officers on the areas where they should prioritise resources.

1.2 The Liberal Democrats, as effective opposition, produce an Alternative Budget which includes a challenge to the key decisions the Administration intend to take if appropriate, identifies other areas for savings for forthcoming financial years and, in the form of investment proposals, identifies alternative priority areas for the Council to concentrate its resources. In producing this Alternative Budget the Liberal Democrats offer common-sense practical solutions to the borough's problems, challenge the Administration to cut waste and provide the value-for-money local services, including cost effective replacement facilities, which the public want.

1.3 However, when providing challenge to the Administration's budget the Liberal Democrats are aware of the scale of financial challenge the Council is facing. The continuous year on year cuts to Local Government funding and the additional service demand from the most vulnerable in the borough has resulted in a considerable budget gap.

1.4 In an attempt to manage the effect of these funding cuts and increases in demand for the Council's most resource intensive services, the Administration has presented a series of savings proposals for 2019/20. The Liberal Democrats recognise the difficult choices that need to be made to ensure a balanced budget can be presented to Council and as a result reluctantly accept the majority of the Administration's savings proposals for 2019/20 (where this is not the case the proposal is presented in section 2).

1.5 The Liberal Democrat Group also recognises that due to the current financial situation the Labour Administration has, regrettably, once more had to propose increasing Council Tax by 3.99%. Through the need to keep the Council financially resilient, we will support the rise to pay for improvements to adult social care and services. This is albeit reluctantly because many residents in the borough have not seen any increase in their take home pay for several years whilst facing a constant rise in the cost of basic necessities.

1.6 As the nation continues to face huge uncertainty around Brexit and other issues, it is the Council and its Councillors who need to get on with the job of supporting people in very difficult circumstances. Investment in local services, and the Council's prevention and early intervention work, is just one way in which we can continue to make a positive difference to residents' lives. This ethos is at the heart of the Liberal Democrats proposals for 2019/20. We firmly believe in local place making and small amounts of money making a big difference to local communities, this is why we are challenging the Administration's proposal to cut district expenditure. This funding makes a big difference to the most needy in the borough and can provide a cash injection to facilitate local schemes that would not otherwise receive the kick start they need. This is in addition to not implementing a further reduction to Parish Council Grant funding. Further investment proposals can be found in section 2.

2. Adoption of previous Liberal Democrat budget options

2.1 The Liberal Democrats are pleased to see that the Administration has adopted a number of savings options (either in full or in part) from previous Alternative Budgets.

2.2 Firstly, following the Alternative Budget for 2018/19 the Administration has adopted the proposal to increase bus lane enforcement throughout the borough. Although it is disappointing that the Administration did not act promptly when this saving was initially proposed to introduce the changes and so will only achieve a part year financial benefit in 2019/20. Also, as the Administration have not included all routes initially proposed by the Liberal Democrats, there is an additional Alternative Budget proposal that has been included in this report to ensure equality of approach across the borough. This can be seen at Appendix B.

2.3 Secondly we were pleased to see the Administration, outside of the approved budget process for 2018/19, increased its funding in street cleaning with a £0.600m investment which increases the number of Dandy cart operators and support officers. This follows a number of Liberal Democrat proposals from as far back as the 2014/15 budget process seeking to improve street cleanliness and enforcement measures.

2.4 Other Liberal Democrat proposals, which were initially rejected but have subsequently been adopted by the Administration as their own proposals, are as follows:

- Reducing the publication of the Borough Life magazine
- Streamlining of Council Tax communications
- Reviewing and reducing the use of consultants
- Allocating additional capital resources to the highways maintenance programme (further detailed below in paragraph 2.5)

2.5 One of the areas that has featured prominently in successive Liberal Democrat Alternative Budgets is that of investment in highways infrastructure. From as early as 2016/17 we have proposed significant additional investment in the crumbling footpath and road infrastructure throughout the borough. It took the Administration two years to better understand the risks associated with a crumbling infrastructure and allocate investment to this area. We support the inclusion of the £18.000m within the capital programme that has been earmarked to improvement works however, we do not think that this will be enough and have proposed a further £5.000m for investment in 2019/20. We also believe that the borough's footways are currently being neglected and suggest that, of the existing Administration allocation, £1.000m should be re-prioritised to focus on footways. This will bring total investment in the borough's highways and footways to £23.000m.

2.6 It is however disappointing that the Administration has not included within their 2019/20 budget, a reduction to lump sum car allowances. As highlighted by the Liberal Democrats in this report (and the previous Alternative Budget) there are a large number of individuals who are in receipt of a lump sum car allowance but subsequently record very few miles. The review promised in this area did not occur as envisaged 12 months ago. We have therefore, once again, included a proposal to reduce car allowance expenditure on paying staff lump sums for doing no or very little mileage, see paragraph 3.13.

2.7 This Alternative Budget gives the Administration the opportunity to implement the other efficiencies suggested by this report and to reverse the proposed reduction to the Parish Council Grant Funding and reverse the proposal to reduce district expenditure.

3. 2019/20 Proposals

3.1 The Liberal Democrats propose a number of specific budget amendments to be considered this year. These are split into:

- Investment proposals where funding is required that will achieve a significant benefit to the borough
- Reversal of Administration proposals

- Savings proposals where it is considered individual service areas can make new or additional savings in order to fund the Investment proposals put forward in this report.
- If the investment proposals are unacceptable to the Administration then they have the option to reduce the level of reserves required to support the budget improving the financial resilience of the Council.

Investment Proposals

3.2 The Liberal Democrats are proposing to spend £1.019m of the savings identified in 2019/20 to invest in highways, to restore Administration proposals that cut funding to Parish Councils and reduce District Executive budgets, to create an environmental task force and increase enforcement of related legislation, and finally to provide earmarked funding to enable investment in a Healthcare Centre in Shaw and Crompton, with the creation of an earmarked reserve to support the development. Details of the individual investment proposals are provided below.

3.3 **An additional £5.000m Investment in highways bringing the total to £23.000m overall (£0.280m from 2020/21)**

The proposal is to undertake highways capital investment, in addition to the funds already approved, to alleviate any backlog of highways works and ensure a high quality highways network. Improvement to the borough's highways has been at the forefront of the Liberal Democrats Alternative Budget from 2016/17 and this proposal would increase investment in in 2019/20 by £5.000m, resulting in revenue costs of £0.280m from 2020/21.

The Liberal Democrats also propose to allocate £1.000m of the existing £18.000m of funding announced by the Administration to improvements in footways.

These measures would result in a total investment of £23.000m in the borough's highways and footways.

3.4 **Establishment of an Environmental Task Force to combat environmental crime such as fly tipping and dog fouling across the Borough (£0.500m)**

The Broken Windows theory suggests that signs of disorder will lead to more disorder; a building with lots of broken windows that have been left unrepaired will give the appearance that no one cares and encourage further acts of vandalism.

The Liberal Democrats believe that visible incidences of environmental crime such as fly tipping, littering and dog fouling create an environment that encourages further acts, a culture where "because they've done it, I can too". Focusing on the prevention of these crimes and quickly remedying any acts that do occur helps to create a positive atmosphere and encourages residents to have pride in where they live, which will then in turn reduce future infractions.

Currently, despite recent street cleaning initiatives by the Administration, enforcement investigations may take up to 5 days, with removal up to 20 days after. This proposal will create an Environmental Task Force providing additional resources within the borough which will prioritise tackling environmental offences. With an initial view to prevention where possible, the task force will also maximise any punitive measures where transgressions occur, along with speeding up the clearance time in order to maintain a clean and hygienic environment for residents.

The £0.500m investment will contribute to the cost of additional staff hours and cover the revenue impact of any capital investment, for example the purchase of additional CCTV cameras to increase the Council's ability to prosecute individuals committing environmental crime.

3.5 **To provide revenue funds to support the development of a new fit for purpose Crompton Health Centre (£0.434m)**

The Liberal Democrats have often highlighted the importance of health across the Council and hold it as one of their core values. The need to develop a Healthcare Centre with community facilities in Shaw and Crompton using existing NHS resources has been subject to scrutiny by the NHS within Greater Manchester in determining priorities for new facilities in the borough to support GP Services.

An expanding population and a persistent lack of investment in the infrastructure of the area has resulted in overly stretched, under resourced services with the present Healthcare Centre operating beyond its original planned economic life. The development of a Healthcare Centre with community facilities is consistent with the capital strategy already recommended to Cabinet for approval by this Committee. We therefore recommend that the development of a new Crompton Healthcare Centre is specifically included within the Council's Capital Strategy.

The development of the business case already has earmarked NHS revenue provision of £0.500m agreed. This has the potential to unlock NHS Capital support which would reduce the Council capital costs. In addition we recommend that in 2019/20, £0.434m is transferred to an earmarked reserve to support any future revenue costs of developing the Healthcare Centre. With an additional £0.443m and £0.370m made available in 2020/21 and 2021/22 respectively from savings generated as part of the Alternative Budget. This results in a total of £1.247m available, annually after 3 financial years, to support the revenue costs of the project. In capital terms this has the potential to support £20.000m of prudential borrowing.

3.6 **Reverse the Administration proposal to reduce District Expenditure and continue investing in local priorities (£0.070m)**

The Administration has proposed a review of District Working with an associated saving of £0.070m. The Liberal Democrats propose to reinstate the full budget for District Working.

District expenditure relates in part to Councillors budgets. Councillors act as a direct link between the community and the Council, they strive to build relationships with residents in their Ward and encourage local people to make their views known and engage with the democratic process. This puts them in a perfect position to invest funds where it will make the biggest difference based on the specific needs, issues or interests of residents in that particular Ward. Relatively small amounts of funding make a significant difference and any cut to this would have a disproportionate impact on residents.

This area also contains some staffing budgets and other related expenditure which the Liberal Democrats also oppose cutting.

3.7 **Not implementing an Administration reduction in Parish Council Grant funding (£0.015m)**

The Liberal Democrats propose not to implement a further reduction in Parish Council Grant funding for both Saddleworth and Shaw & Crompton Parish Councils, as put forward by the Administration. The total cost of which is £0.015m for 2019/20. This Administration implemented the reduction from the 2017/18 budget setting process and reduced the grant to Parish Councils in line with the reductions in Revenue Support Grant imposed by Central Government.

The Liberal Democrats have always believed that Parish Councils are an essential part of the structure of local democracy and have a vital role in acting on behalf of the communities they represent and therefore propose the full reinstatement of the grant for 2019/20 to ensure activities such as the following can continue;

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

Alternative Savings Proposals

3.8 The Liberal Democrats are proposing a range of challenging savings proposals which will reduce spend on non-essential or non-statutory services in order to reprioritise the funds into proposals which will improve the lives of people in the borough as detailed above. Brief summaries of the savings proposals are provided below with full proformas at Appendix B.

3.9 **OPP-BR1-101 - Additional Vacancy Management factor to achieve greater efficiency including limiting the present use of agency staff and consultants (£0.550m)**

The Liberal Democrats recommend an extension to the Administration's proposal to apply a vacancy factor to all mainstream employee budgets on the assumption that some posts will become vacant or be held vacant during 2019/20 due to staff turnover.

The current proposal is at a rate of 1.5% generating a £0.800m saving. The Liberal Democrats believe that by focusing on a reduction in agency staff and consultants used across the Council this can be made more challenging whilst still remaining prudent, and therefore propose a rate of 2.5% is applied to all mainstream employee budgets in 2019/20. This additional 1% would generate circa £0.550m.

In addition it is proposed to further extend this in future years by an additional 0.5% per annum taking the vacancy rate to 3% in 2020/21 and 3.5% in 2021/22. This increase would generate savings of circa £0.270m in each financial year.

3.10 **OPP-BR1-102 - Reduction in the number of Councillors from 60 to 40 and a review of the Electoral Cycle to save money in the future (£0.290m from 2020/21)**

The proposal is to reduce the number of elected members from 60 to 40. The current basic allowance is £0.009m per annum (plus National Insurance costs) and therefore this would represent a saving of £0.190m per annum with and associated £0.100m saving as a result of a reduction in Members budgets. The proposal would take at least 12 months to come to fruition and would be dependent on Boundary Commission timescales. Therefore the proposal should be commenced immediately so that savings can be achieved in 2020/21.

In addition the Liberal Democrats propose a change to the frequency of the electoral cycle, which is currently set at three elections held within a four year period and one fallow year. The proposal is to change this to one election every other year, with a saving of one election over the four year period.

3.11 **OPP-BR1-103 - Reduction in the General Training Budget agreed in 2018/19 to be made permanent (£0.150m)**

In 2018/19 the Administration implemented a one off reduction to the Council's general training budget of £0.150m. The Liberal Democrats propose to make this budget reduction a

permanent one and reduce the general training budget by £0.150m from 2019/20 on an ongoing basis.

3.12 **OPP-BR1-104 - Reducing sickness absence through more robust absence management procedures (£0.013m)**

The Council has introduced increased rigour into the managing absence process in previous years. However after reviewing the available data the Liberal Democrats feel that additional savings could still be made from reducing the average sickness per FTE to an aspirational target of 8 days absence per FTE on average.

3.13 **OPP-BR1-105 - Review of car allowances as previously promised to reduce the amount paid as a lump sum to staff doing zero or minimal mileage (£0.037m)**

The Liberal Democrats feel that a review of lump sum car allowances should be completed focusing on removing the payment for individuals who regularly record less than 100 miles per annum in their roles.

The proposal generates circa £0.050m in a full year by reducing the number of posts that attract an essential car user payment. The saving would equate to removal of allowance from circa 100 employees.

3.14 **OPP-BR1-106 – Reduce the subsidisation of Trade Union support provided by the Council following a reduction in membership (£0.038m)**

The Liberal Democrats are proposing to reduce the trade union subsidy provided by the Council following a consistent decrease in trade union membership. This would result in a reduction of approximately 50% to the base budget resulting in a total saving £0.075m which, due to the consultation required, would be achieved over 2 financial years resulting in a £0.038m saving in 2019/20 and a further £0.037m in 2020/21.

In addition the Liberal Democrats propose a review is undertaken to ensure the Council subsidy of trade union time and facilities is in line with that of neighbouring boroughs.

3.15 **OPP-BR1-107 - Redesign of Communications & Marketing (£0.150m)**

The Communication and Marketing team ensures that key messaging about Council services, decisions and campaigns are accessible to all of the borough's residents, staff and partners.

The Liberal Democrats propose to redesign the Communications and Marketing team with a view to making significant savings by ceasing non-statutory functions such as the publication of the Borough Life Magazine and the Staff Matters newsletter, halting all staff conferences and removing the reputation tracker as well as removing the post associated with these functions. This would result in a saving of £0.145m in 2019/20.

Alongside the above reductions, it is proposed to generate income of circa £0.005m by selling advertising on the Council's website similar to that which is done in a neighbouring authority.

A further review of the core offer of the Communications and Marketing team for 2020/21 onwards would then be completed to deliver additional savings in future years.

3.16 **OPP-BR1-108 - Additional Bus Lane Enforcement to ensure consistency of provision within the Council controlled area (£0.016m)**

Following a 2018/19 Liberal Democrat proposal to increase bus lane enforcement throughout the borough the Administration has consulted on an additional 5 bus lane enforcement routes.

The current (2019/20) proposal is to introduce a further lane at Rochdale Road Oldham and therefore ensure consistency of enforcement across the borough. Based on income received to date from existing bus lane enforcement, it is estimated that the additional income generated from the above route would have a gross value of circa £0.037m which would achieve a part year net saving of £0.016m in 2019/20 with an additional £0.013m in 2020/21.

3.17 **OPP-BR1-109 - Review of Existing Dimming Regime (£0.055m)**

A scheme of variable street lighting went live across Oldham from January 2016 following trialling across 1,000 lanterns in the borough. The Liberal Democrats are proposing to further reduce energy consumption by reviewing the current dimming regime specifically to reduce the lighting levels from 100% to 75% from – Dusk to 22:00 and 05:00 to Dawn for both Traffic Routes and Residential Areas. By implementing a variable lighting strategy the cost can be reduced whilst still maintaining a street lighting provision.

Under the proposal an estimated £0.055m of savings would be achieved for 2019/20 onwards.

3.18 **OPP-BR1-110 - Reduction in travel budgets to ensure the most efficient method of transport is used for essential Council business (£0.005m)**

The Liberal Democrats propose to reduce travel expenditure by ensuring officers use the most efficient and cost effective method for necessary travel. In April 2018, the Council received a Freedom of Information (FOI) request asking for details of all flights paid for by the Council within the period 1 January 2015 and 31 March 2018. Within this period Oldham Council reported a number of flights to differing destinations domestically and beyond. A significant number of these flights were funded by external sources however some costs were incurred by the general fund and so there is scope to reduce the impact on Council mainstream funding.

The Liberal Democrats believe this move to more cost effective modes of transport would reasonably achieve a saving of circa £0.005m per annum.

3.19 **OPP-BR1-111 - Generating additional income through increased renting out of artworks to other institutions and interested parties subject to security (£0.002m)**

The Council owns a diverse range of fine and decorative art which consists of 450 oil paintings, 500 watercolours and 1,400 prints. This includes a Charles Lees collection of paintings, drawings and engravings and 55 watercolours and drawings from the S.C. Turner collection.

The Liberal Democrats are proposing to expand the current arrangements for loaning items from the Council's collection to external parties to generate income. As there is a need to fully test the market and quantify all relevant costs, including staff time, insurance valuations, conservation, framing, packing and marketing, a notional income target of £0.002m has been proposed for 2019/20.

3.20 **OPP-BR1-112 - Charging for leisure courses within Lifelong Learning to reduce the Council subsidy (£0.003m)**

The aim of the Lifelong Learning Service is to deliver high quality, accessible local learning opportunities which enable adults to realise their potential and gain employment by developing their confidence, creativity, knowledge and skills. The Lifelong Learning service is mainly grant funded through the Education and Skills Funding Agency however the Council provides some mainstream funding to support the running of the service for example central support charges.

The Liberal Democrats propose to remove the concessionary rate for non-essential leisure courses such as arts and crafts and sewing which will reduce the amount of Council funding required for this service by £0.003m for 2019/20.

Summary

3.21 After considering all investment and savings proposals there is a balanced position as can be seen in Appendix A. The potential FTE impact is a reduction of 4.00 in 2019/20.

4. Additional Recommendations

4.1 The Liberal Democrats recommend that an in depth review of recycling within the borough is undertaken and the findings presented to the Overview and Scrutiny Performance and Value for Money (PVFM) Select Committee for scrutiny with a view to reducing the cost of the waste levy and therefore supporting the 2020/21 budget.

4.2 Oldham is the second worst of the Greater Manchester borough's in terms of recycling, with only 45% of household waste recycled in 2017/18. Although this has increased from 42.7% in 2016/17 we believe more can be done to improve going forward.

5. Director of Finance Comments

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

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

6. Options/Alternatives

6.1 To consider the investment proposals and savings proposals for 2019/20 and the proposals for 2020/21 – 2021/22. The options are to:

- Accept all of the recommendations of the report
- Accept some of the recommendations of the report
- Reject all of the recommendations of the report

7. Preferred Option

7.1 The preferred option is to accept all of the recommendations.

8. Consultation

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

9. **Financial Implications**

9.1 The financial implications are included within the report.

10. Legal Services Comments

10.1 The Council is under a legal duty to pass a balanced budget in line with statutory requirements.

(Paul Entwistle)

11. Co-operative Agenda

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

12. **Human Resources Comments**

12.1 A number of the proposals will directly affect the employment prospects of our people, the investment we make in them and the money that is paid to them.

12.2 Other proposals have the potential to adversely affect the positive industrial and employee relations climate that exists in the organisation.

12.3 As a result it will be necessary to:

- Assess the feasibility and impact of individual options
- Enter into strategic and early engagement with Trade Unions
- Consult appropriately with both employees and Trade Unions
- Issue, if appropriate, a Section 188 notice in accordance with the Trade Union Labour Relations Act

(Martyn Bramwell)

13. Risk Assessments

13.1 The risks of deliverability have been considered and are thought to be minimal at this stage.

14. IT Implications

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

15. Property Implications

15.1 The Shaw and Crompton Community Hub was originally prioritised by the Oldham Clinical Commissioning Group (CCG) Management Executive Team, using the GM Matrix Tool, as a priority scheme. Since 2016 the commissioning of GP practice services along with the budget has been transferred from NHS England to CCGs.

15.2 The Shaw and Crompton scheme was originally identified as capital priority for NHS Oldham Primary Care Trust (PCT) and featured as such in the 2007 Strategic Services Development Plan. This scheme was to be the final project of the Local Improvement Finance Trust (LIFT) developments within the Oldham PCT area but did not progress due to the demise of the LIFT programme in 2011.

15.3 Revenue funding in the amount of £500k has been awarded to the CCG to support the scheme to progress to an outline business case (OBC) and then full business case (FBC), in

order that an informed final decision can be made as to whether the development should go ahead.

15.4 In response the CCG has sought 3 quotations from an NHS Framework with a view to appointing a consultant to undertake both an outline business case and a full business case for the project, which it is expected will take circa 9 to 12 months to complete. Thereafter, both the Council and the CCG will consider its options.

(Peter Wood)

16. Procurement Implications

16.1 Any procurement implications will be considered as and when any procurement decisions are required if the proposals are accepted. There are no immediate adverse procurement implications associated with the proposals.

(Steve Boyd)

17. Environmental and Health & Safety Implications

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

18. Equality, community cohesion and crime implications

18.1 There are no equality, community cohesion and crime implications associated with the proposals.

19. **Equality Impact Assessment Completed**

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

20. **Key Decision**

20.1 No.

21. **Key Decision Reference**

21.1 Not a Key Decision.

22. **Background Papers**

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

File Ref:	Background papers are contained in Appendices A and B
Officer Name:	Mark Stenson
Contact No:	0161 770 4783

23. **Appendices**

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

Summary of Alternative Budget Proposals

APPENDIX A

Proposal Reference	Proposal Name	Responsible Officer	Budget Proposal 2019/20 £000	FTE Impact 2019/20	Budget Proposal 2020/21 £000	Budget Proposal 2021/22 £000	Cumulative Budget Impact £000	EIA Required?	Appendix B Page no.
Alternative Budget Investment Proposals									
N/A	An additional £5.000m Investment in highways bringing the total to £23.000m overall	Craig Dale	0	0.00	280	0	280	N/A	N/A
N/A	Establishment of a Environmental Task Force to combat environmental crime such as flytipping and dog fouling across the Borough	Neil Crabtree	500	0.00	0	0	500	N/A	N/A
N/A	Create an earmarked reserve within the Council with defined contributions financed by savings to enable the construction of the new Crompton Health Centre in Shaw with the Council facilitating both the construction and funding any shortfall in rents from third party organisations	Anne Ryans	434	0.00	443	370	1,247	N/A	N/A
N/A	Reverse the Administration proposal to reduce District Expenditure and continue investing in local priorities	Rebekah Sutcliffe	70	0.00	0	0	70	N/A	N/A
N/A	Not implementing an Administration reduction in Parish Council Grant funding	Anne Ryans	15	0.00	0	0	15	N/A	N/A
Total Budget Investment Proposals			**1,019**	**0**	**723**	**370**	**2,112**		
Alternative Budget Reduction Proposals									
OPP-BR1-101	Additional Vacancy Management factor to achieve greater efficiency including limiting the present use of agency staff and consultants	Anne Ryans	(550)	0.00	(270)	(270)	(1,090)	No	2
OPP-BR1-102	Reduction in the number of Councillors from 60 to 40 and a review of the Electoral Cycle to save money in the future	Paul Entwistle	0	0.00	(290)	0	(290)	No	6
OPP-BR1-103	Reduction in the General Training Budget agreed in 2018/19 to be made permanent	Martyn Bramwell	(150)	0.00	0	0	(150)	No	10
OPP-BR1-104	Reducing sickness absence through more robust absence management procedures	Martyn Bramwell	(13)	0.00	0	0	(13)	No	14
OPP-BR1-105	Review of car allowances as previously promised to reduce the amount paid as a lump sum to staff doing zero or minimal mileage	Martyn Bramwell	(37)	0.00	(13)	0	(50)	No	18
OPP-BR1-106	Reduce the subsidisation of Trade Union support provided by the Council following a reduction in membership	Martyn Bramwell	(38)	(2.00)	(37)	0	(75)	No	22
OPP-BR1-107	Redesign of Communications & Marketing	Carl Marsden	(150)	(2.00)	(100)	(100)	(350)	No	27
OPP-BR1-108	Additional Bus Lane Enforcement to ensure consistency of provision within the Council controlled area	Angela Lees	(16)	0.00	(13)	0	(29)	No	31
OPP-BR1-109	Review of the Existing Dimming Regime	John McAuley	(55)	0.00	0	0	(55)	No	36

Proposal Reference	Proposal Name	Responsible Officer	Budget Proposal 2019/20 £000	FTE Impact 2019/20	Budget Proposal 2020/21 £000	Budget Proposal 2021/22 £000	Cumulative Budget Impact £000	EIA Required?	Appendix B Page no.
OPP-BR1-110	Reduction in travel budgets to ensure the most efficient method of transport is used for essential Council business	Corporate	(5)	0.00	0	0	(5)	No	42
OPP-BR1-111	Generating additional income through increased renting out of artworks to other institutions and interested parties subject to security	Annie O'Neill	(2)	0.00	0	0	(2)	No	46
OPP-BR1-112	Charging for leisure courses within Lifelong Learning to reduce the Council subsidy	Jon Bloor	(3)	0.00	0	0	(3)	Yes	51
Total Budget Reduction Proposals			**(1,019)**	**(4.00)**	**(723)**	**(370)**	**(2,112)**		
Surplus Budget/Total FTE Impact			**0.0**	**(4.00)**	**0.0**	**0.0**	**0.0**		

Appendix B

Business Cases for Alternative Budget Reduction Proposals

Reference:	OPP-BR1-101

Responsible Officer :	Anne Ryans

BR1 - Section A

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

Budget Reduction Proposal - Detail and Objectives :

The Administration has proposed to apply a vacancy factor at a rate of 1.5% (£0.800m saving) to all mainstream employee budgets based on the assumption that some posts will become vacant or be held vacant during 2019/20 due to staff turnover.

To assist in reducing the number of agency staff and consultants used across the Council, it is proposed that this saving could be extended further and that a vacancy rate of 2.5% should be applied to all Council mainstream employee budgets in 2019/20. This additional 1% would generate a saving of a further £0.550m.

Furthermore, it is proposed to further extend this in future years by additional 0.5% per annum taking the vacancy rate to 3% in 2020/21 and 3.5% in 2021/22. This increase would generate savings of circa £0.270m in each financial year.

2018/19 Service Budget and Establishment	**£000**
Employees	54,000
Other Operational Expenses	0
Income	0
Total	54,000

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	0

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	(550)	(270)	(270)
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

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

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Potential reduction in the number of interim and agency staff used across the authority which may reduce expenditure.

Section C

Key Risks and Mitigations

Risk	Mitigation
Service budgets will overspend in 2019/20 due to non-achievement of the vacancy management target.	There is an expectation that a percentage of posts will be vacant in year through natural turnover of staff, and services through to directorates will manage recruitment and cover arrangements accordingly.
Individual budget areas with low staff turnover will fail to meet the vacancy target.	Information on the achievement of vacancy management targets will be made available at service and directorate level to allow a wider analysis of progress against targets and allow offsets between over and under achieving service / directorate areas.
N/A	N/A

Key Development and Delivery Milestones

Milestone	Timeline
Vacancy management targets are calculated and allocations communicated to service and budget managers	January 2019
Vacancy management targets are reviewed in line with any organisation change prior to the commencement of the 2019/20 financial year	November 2018 - February 2019
Vacancy management targets are applied to individual budgets prior to the commencement of the 2019/20 financial year	March 2019
Production of vacancy management information is built into financial monitoring procedures	March 2019

Section D

Consultation required?	No

	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

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

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

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

Section E

Finance comments
As with the Administration's proposal to introduce a 1.5% Vacancy Factor, this proposal to increase the Vacancy Factor to 2.5% in 2019/20 and further in future years represents a change in the costing methodology for staffing budgets across the organisation. Any introduction of a Vacancy Factor carries risks of non-delivery and service overspend as detailed in Section C of this pro-forma and the higher the applied Vacancy Factor, the higher the associated risk to financial and service performance.

Signed RO	03/01/2019

Signed Finance	03/01/2019

Reference:	OPP-BR1-102

Responsible Officer :	Paul Entwistle

BR1 - Section A

Service Area :	**Civic and Political Support**
Budget Reduction Title:	**Reduction in the number of Councillors from 60 to 40 and a review of the Electoral Cycle**

Budget Reduction Proposal - Detail and Objectives :

The proposal is a reduction in elected members from 60 to 40 and review of the current electoral cycle.

The current basic allowance is £0.009m per annum (plus associated national insurance costs) and therefore this would represent a saving of £0.190m per annum. There would also be an associated £0.100m saving in Members' budgets as a result of the reduction in the number of Councillors.

Currently, in three out of every four years, a third of Councillors are required to be elected. In the fourth year, there is no local election. Councillors serve a four year term of office. There are currently 60 Councillors serving 20 wards with 3 members per ward.

Current legislation does not permit Metropolitan Councils, such as Oldham, to have elections on a biennial basis and the recommendation requires representations to be made to the Secretary of State to give this additional power.

The Council would require an Electoral Review to execute the proposal. The review would be carried out by the Local Government Boundary Commission for England (LGBCE). The objective of the review would be to consider and identify the appropriate number of Councillors for each ward. There would be a need for a review application to be made to the LGBCE outlining the reasons why the review is required. The Commission follow a timetable which is approximately 10-14 weeks long. Based on the timelines from the Boundary Commission this process would take at least 12 months from the Council approving the principle decision. It should be noted that the recommended decision of the LGBCE may be different from that presented in this report. If agreed, there would also be a change to the frequency pattern of local elections, resulting in a saving of one local election every four years.

2018/19 Service Budget and Establishment	**£000**
Employees	1,018
Other Operational Expenses	0
Income	0
Total	1,018

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	60

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	0	(290)	0
Proposed Staffing Reductions (FTE)	0	(20)	0

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
None.
Future expected outcomes
None.
Organisation
None.
Workforce
None.
Communities / Service Users
There would be a reduction in the number of Elected Members representing Oldham communities.
Oldham Cares
None.
Partner Organisations
None.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Budget reduction.

Section C

Key Risks and Mitigations

Risk	Mitigation
By reducing the number of Councillors from 60 to 40 it has the potential to limit the access constituents currently have with Councillors. Members will need to consider their approach to managing their constituency workloads. A reduction in the number of Councillors may also impact on the number of outside bodies' places that Oldham Council currently have.	Support would need to be put into place for Members if there were a reduction to enable a successful transition to new ways of working. One way would be through the Local Leader's programme.
Each Member will have to review their constituency base and their workload arrangements.	Support required for Members to allow the review.
There may be potential implications for ways of working within the District Partnerships.	Support required for Members to allow the review.
The reduction in budget to reflect the change in electoral cycle may put the service at risk if there are any unanticipated by-elections.	A proportion of the savings from non-election years should be retained in a reserve to fund any unanticipated elections.

Key Development and Delivery Milestones

Milestone	Timeline
Application to the Local Government Boundary Commission for England	Early 2019/20
Implementation	2020/21

Section D

Consultation required?	No

	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

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

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

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

Section E

Finance comments
The implementation of this proposal would generate an on-going saving of £0.190m per annum from 2020/21 from the budget for Members' Allowances which is set at £1.018m in 2019/20. There would be a corresponding reduction in individual Members budgets of £0.100m from 2020/21, bringing the total reduction to £0.290m.

Signed RO	14/12/2018

Signed Finance	14/12/2018

Reference:	OPP-BR1-103

Responsible Officer :	Martyn Bramwell

BR1 - Section A

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

Budget Reduction Proposal - Detail and Objectives :

The General Training budget for 2019/2020 is £0.555m.

For 2018/2019 a 'one off' reduction of £0.150m was proposed and implemented by the Administration.

The Opposition has proposed to make this this reduction permanent from 2019/20 onwards. The net effect would be to reduce the General Training budget to £0.405m annually.

The reduction would require all future training requirements to be reviewed to ensure that best value is being secured. Priority would be provided to statutory and mandatory training. Any additional training and development would be assessed on the basis of value provided to the organisation, managing any identified risks to the Council in terms of building capability across all service areas.

2018/19 Service Budget and Establishment	**£000**
Employees	0
Other Operational Expenses	555
Income	0
Total	555

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	0

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	(150)	0	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

Property
None
Service Delivery
There is a potential for stagnation or reduction of service delivery should individuals become less effective.
Future expected outcomes
The proposal will contribute to the achievement of the budget proposal and drive the requirement to achieve best value from training and development activity. However, there will be less development of employees which may impact organisational and individual capability and effectiveness.
Organisation
Priority would be provided to statutory and mandatory training. Any additional training and development would be assessed on the basis of value provided to the organisation.
Workforce
There will be less development of employees which may impact organisational and individual capability and effectiveness.
Communities / Service Users
None
Oldham Cares
None
Partner Organisations
There will be no direct impact on partner organisations from this proposal, however the Council will seek to achieve savings in training procurement as and/or reduce demand.

Who are the key stakeholders?

Staff	**Yes**
Elected Members	**No**
Residents	**Yes**
Local business community	**Yes**
Schools	**No**
Trade Unions	**No**
External partners (if yes please specify below)	**Yes**
Any training providers that the Council currently use	
Other Council departments (if yes please specify below)	**No**
N/A	
Other (if yes please specify below)	**No**
N/A	

Benefits to the organisation/staff/customers including performance improvements
A £0.150m contribution to the achievement of the 2019/20 budget reduction target and the achievement of improved value by driving down supplier costs and/or demand. A greater focus on internal training delivery and self-directed learning will also be adopted.

Section C

Key Risks and Mitigations

Risk	Mitigation
General training provision will reduce, limiting the development of employees.	Better management in procuring training and development activity, investment in resource to enable Internal training delivery / capacity, expansion and promotion of self-directed learning methods.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones

Milestone	Timeline
Proposal presented to Overview and Scrutiny Performance and Value for Money Select Committee	5 February 2019
Implementation	April 2019.
N/A	N/A
N/A	N/A

Section D

Consultation required?	No

	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

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

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

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

Section E

Finance comments
This proposal would create an ongoing saving of £0.150m from the central training budget from 2019/20. However, the prioritisation of statutory and mandatory training through the Development Academy may encourage services to source additional training requirements from service budgets with the potential of creating pressures in these areas.

Signed RO	14/12/2018

Signed Finance	17/12/2018

Reference:	OPP-BR1-104

Responsible Officer :	Martyn Bramwell

BR1 - Section A

Service Area :	**People Services**
Budget Reduction Title:	**Reduced Sickness Absence through more robust absence management procedures**

Budget Reduction Proposal - Detail and Objectives :

To consider potential financial savings through reducing sickness absence across the workforce.

The Alternative budget for the 2019/20 financial year includes a budget reduction of £0.013m based on achieving an aspirational target of 8 days absence per FTE on average. The actual sickness position for 2017/18 was 8.38 days per FTE.

Increased intervention at earlier stages including signs and symptoms of future potential absence, in addition to further challenges, timely meetings, adjustments and phased returns to reduce sickness absence and support provided to reduce the duration of absenteeism will be further enforced with DMT's and managers.

For long term absences, all cases will have an appropriate action plan attached to them to ensure that adequate and appropriate support is automatically pursued.

2018/19 Service Budget and Establishment	**£000**
Employees	-
Other Operational Expenses	-
Income	-
Total	-

Current Forecast (under) / overspend	-

Number of posts (Full time equivalent)	-

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	(13)	0	0
Proposed Staffing Reductions (FTE)	0.00	0.00	0.00

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
None.
Future expected outcomes
None.
Organisation
None.
Workforce
More robust application of the absence management procedures and support provided to staff in work and absent should have a positive impact on staff attendance through the reduction of sickness absence levels
Communities / Service Users
None.
Oldham Cares
None.
Partner Organisations
None.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Reduction in absence results in greater productivity from the workforce in addition to increased engagement, reduced costs of cover via agency and overtime and increased performance improvements across Council services.

Section C

Key Risks and Mitigations

Risk	Mitigation
N/A	N/A
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones

Milestone	Timeline
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A

Section D

Consultation required?	No

	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

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

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

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

Section E

Finance comments
There is no specific budget for sickness and as such any budget reduction would be cross cutting across Council employee budgets.

Signed RO	14/12/2018

Signed Finance	17/12/2018

Reference:	OPP-BR1-105

Responsible Officer :	Martyn Bramwell

BR1 - Section A

Service Area :	**People Services**
Budget Reduction Title:	**Review of car allowances as previously promised to reduce the amount paid as a lump sum to staff doing zero or minimal mileage**

Budget Reduction Proposal - Detail and Objectives :

A lump sum car allowance of £500 is paid annually to essential car users.

The amount paid in the year 2017/18 totalled £0.199m to approx. 432 members of staff (including leavers and thus a pro rata allowance for part of the year). For the period April 2018 to November 2018 a further £0.155m has been paid to 520 members of staff (again including pro rata for leavers).

Analysis of the data shows that in 2017/18 40% of those individuals in receipt of Essential Car Allowance had recorded less than 100 miles in their roles. 35% had claimed no mileage. These figures are believed to be understated as officers may not always make claims, especially for short journeys.

For the period April 2018 to November 2018 48% of recipients had recorded less than 100 miles in their roles. 42% of recipients (216 individuals) had claimed no mileage. It is believed officers have not always claimed mileage refunds in all instances.

The Liberal Democrats have proposed generating circa £0.050m by reducing the number of posts that attract an essential car user payment. A saving of £0.050m would equate to removal of allowance from circa 100 employees. Due to consultation requirements, only a part year reduction of £0.037m would be generated in 2019/20 with an additional saving of £0.013m in 2020/21.

There is a local agreement with Trades Unions regarding the assessment of entitlement and application of the Car Allowance Scheme. The scheme comprises a series of factors, including mileage, and allocates points per factor.

Consultation with Trades Unions and Individuals would need to take place before staff terms and conditions could be amended.

2018/19 Service Budget and Establishment	**£000**
Employees	0
Other Operational Expenses	232
Income	0
Total	232

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	0

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	(37)	(13)	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

Property
As Essential user status bestows free parking on Council property, budget is provided to the Property Team (Parking Shop). Removal of Essential user status would lead to a reduction in Parking Shop budget.
Service Delivery
Employees may refuse to use their own vehicles to complete their duties which may result in service delay, especially in the areas of social care.
Future expected outcomes
Potential to increase travel costs associated with other methods e.g. taxi, public transport.
Organisation
None.
Workforce
Certain individuals will have Car Allowance removed. Car parking costs would also increase for those individuals who are reclassified from Essential Users.
Communities / Service Users
Potential for delays in receiving support in certain areas, e.g. social care.
Oldham Cares
None.
Partner Organisations
None.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Achievement of budget reduction resulting in less pressure to make saving elsewhere.

Section C

Key Risks and Mitigations

Risk	Mitigation
The allowance may be taken from users who travel a significant number of miles but have not claimed them in the past.	Communicate to claimants the requirement to claim mileage on a regular basis.
Where allowance is removed there may be an increase in costs associated with other modes of transport, e.g. taxis, public transport.	None
N/A	N/A

Key Development and Delivery Milestones

Milestone	Timeline
Communicate to all staff the requirement to claim mileage in a timely manner.	January - February 2019
Communicate the intention to remove Car allowance from all zero mileage claimants.	March 2019
Consult with affected employees.	April – May 2019
Remove Car Allowance from all recipients who have claimed zero mileage in the preceding year.	June 2019

Section D

Consultation required?	Yes

	Start	Conclusion
Staff	April 2019	May 2019
Trade Union	April 2019	May 2019
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

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

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

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

Section E

Finance comments
The reduction in the number of essential users for car allowances by 100 employees could generate a saving of £0.050m (phased over 2019/20 and 2020/21).

Signed RO	14/12/2018

Signed Finance	14/12/2018

Reference:	OPP-BR1-106

Responsible Officer :	Martyn Bramwell

BR1 - Section A

Service Area :	**People Services**
Budget Reduction Title:	**Reduce the subsidisation of Trade Union support provided by the Council following a reduction in membership**

Budget Reduction Proposal - Detail and Objectives :

The Council, in accordance with the National Agreement on Pay and Conditions of Service, recognises 3 unions for Local Government Services employees; Unison, Unite and GMB.

- Unison 2.89 FTE
- GMB 0.8 FTE
- Unite 0.4 FTE

Oldham Council supports the system of collective bargaining and the principle of solving employee relations problems by discussion and agreement before they escalate and to facilitate the conduct of joint business. The role of the unions is to work with the employer to represent and protect the interests of their members by:

- Negotiating agreements with the Council on changes to conditions of service or other contractual provisions;
- Representing the workforce in consultation on changes which impact on their members or that represent major changes to the workplace such as large-scale restructure or working practices;
- Supporting members to discuss their concerns with the Council;
- Accompanying their members in disciplinary and grievance meetings; and
- Providing access to legal and financial advice and other support functions.

The Council seeks to provide for time off and facilities within the statutory framework provided by of the Trade Union and Labour Relations (Consolidation) Act 1992, and the ACAS Code of Practice 'Time off for Trade Union Duties and Activities'. The Liberal Democrats are proposing the Council reduces it subsidisation of trade union support following a reduction in membership. This would result in a reduction of approximately 50% to the base budget resulting in a total saving £0.075m which, due to the consultation required, would be achieved over 2 financial years.

In addition the Liberal Democrats propose a review is undertaken to ensure the Council subsidy of trade union time and facilities is in line with that of neighbouring boroughs.

2018/19 Service Budget and Establishment	**£000**
Employees	182
Other Operational Expenses	20
Income	(46)
Total	156

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	4.09

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	(38)	(37)	-
Proposed Staffing Reductions (FTE)	(2.00)	-	-

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

Property
Potential impact on provision of office facilities within Manchester Chambers for UNISON and rent collection for this property.
Service Delivery
Potential effective use of management time and ability to conduct meetings and hearings due to non-availability of union representation.
Future expected outcomes
Loss of goodwill and excellent industrial relations history. Movement of trade union activity from local to regional. Loss of trust and confidence among the workforce where unions are not fully involved.
Organisation
Delays in work/ projects requiring (or where best practice dictates) working with, consulting or negotiating with the trades unions
Workforce
Potential reduction in employee capacity arising from the requirement for increased workforce direct engagement in change or budget cuts.
Communities / Service Users
Delay in change or other cost saving activities
Oldham Cares
Where unions represent employees working within or in partnership with Oldham Cares – similar implications to those identified for Oldham Council.
Partner Organisations
As above within Unity Partnership Limited and Mio Care and Oldham Schools. Could impact on change proposals which increasingly involve other agencies.

Who are the key stakeholders?

Staff	**Yes**
Elected Members	**Yes**
Residents	**No**
Local business community	**No**
Schools	**Yes**
Trade Unions	**Yes**
External partners (if yes please specify below)	**No**
N/A	
Other Council departments (if yes please specify below)	**Yes**
All Council departments	
Other (if yes please specify below)	**Yes**
Oldham Cares, MioCare and the Unity Partnership Ltd	

Benefits to the organisation/staff/customers including performance improvements
Reduction in cost.

Section C

Key Risks and Mitigations

Risk	Mitigation
TU incapacity to be able to support and properly represent their members especially given the ongoing GM devolution and Health integration programme and degree of change anticipated within the Council over the next 12 months.	Seek greater involvement from Regional / National Officers Increase recruitment of directorate stewards to undertake role within working time* (* we have tried to encourage this in the past with limited success)
Delay in the ability of management to arrange and undertake meetings requiring statutory or policy trade union presence in a timely manner or having no continuity of attendees.	Seek greater involvement from Regional / National Officers Increase recruitment of directorate stewards to undertake role within working time* (* we have tried to encourage this in the past with limited success) Lengthen consultation periods / development of new initiatives deadlines to allow for limited availability of local representatives.
Inability of the organisation to comply with statutory, national or local policy requirements regarding negotiation, consultation and representation which will increase the risk of successful challenge, litigation and significant cost.	Seek greater involvement from Regional / National Officers for corporate initiatives. Increase recruitment of directorate stewards to undertake role within working time* (* we have tried to encourage this in the past with limited success). Increase in employee direct engagement.
Confusion with the Councils own Fair Employment Charter which honours the right of every employee to be an active member of a recognised trade union without fear of discrimination or reprisal.	Be clear with employees where they are able to access alternative representation outside of the council.
Movement away from local representation and engagement with reliance on Union own professional Regional Officers. Significant time delays due to lack of availability together with loss of knowledgeable local representation who understand the context, history and operational positions within Oldham.	Retain the recognition agreement and sufficient reasonable and benchmarked facility time.
Reduction in capacity efficiencies gained from collective bargaining. Decline in current constructive industrial relations working partnership and increase in disputes and escalation of industrial action	Retain the recognition agreement and sufficient and benchmarked facility time.

Key Development and Delivery Milestones

Milestone	Timeline
Review Membership amongst current workforce and update TU figures	April 2019
Benchmark with other GM / regional authorities Monitor statute to identify potential change or direction	May 2019 Jan -May 2019
Open consultation with the trades unions Internal sign off process	June 2019 September 2019
Submission to Local NJC Committee (LJNCC)	November 2019 or in accordance with future budget timescales.

Section D

Consultation required?	Yes

	Start	Conclusion
Staff	N/A	N/A
Trade Union	June 19	September 19
Public	N/A	N/A
Service Users	N/A	N/A
Other (SMT/ Members)	August 19	October 19

Equality Impact Screening

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

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

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

Section E

Finance comments
The proposal would generate an ongoing saving of the amount detailed in section A.

Signed RO	14/12/2018

Signed Finance	17/12/2018

Reference:	OPP-BR1-107

Responsible Officer :	Carl Marsden

BR1 - Section A

Service Area :	**Marketing and Communications**
Budget Reduction Title:	**Redesign of Communications & Marketing**

Budget Reduction Proposal - Detail and Objectives :

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

As more information moves online and residents become increasingly technologically advanced the need to produce hard copy publications reduces. As such the Liberal Democrat's propose to reduce the service budget for the Communications and Marketing team by £0.150m in 2019/20, and an additional £0.100m in 2020/21 and £0.100m in 2021/22.

This reduction in 2019/20 would be met by generating £0.145m through ceasing the publication of the Borough Life Magazine and the Staff Matters newsletter, halting all staff conferences, removing the reputation tracker, deleting 1 vacant Communications officer post and 1 Graphic Designer post.

Alongside the above reductions, it is proposed to generate income of circa £0.005m by selling advertising on the Council's website similar to that which is done in a neighbouring authority.

A further review of the core offer of the Communications and Marketing team for 2020/21 onwards would be then be completed to deliver additional savings in future years.

2018/19 Service Budget and Establishment	**£000**
Employees	802
Other Operational Expenses	90
Income	(134)
Total	758

Current Forecast (under) / overspend	21

Number of posts (Full time equivalent)	18

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	(150)	(100)	(100)
Proposed Staffing Reductions (FTE)	(2)	TBC	TBC

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
A reduction in the capacity to deliver for core services would necessitate internal clients simply going elsewhere to get the work they needed done. That is likely to impact negatively on the quality and consistency of what is delivered and would also mean departments potentially paying more for the work than they do already – increasing their own spend. A reduction in the information available is also likely to lead to increased demand on other areas, like the Contact Centre, and increased pressures and costs for those areas.
Future expected outcomes
Reducing the capacity of the Communications team would affect the entire organisation's ability to deliver information and behaviour change with residents, partners, staff and other key stakeholders.
Organisation
The organisation's key policy and behaviour change initiatives – schemes which must be communicated effectively in order to deliver future savings – would be impacted by a reduction in our capacity to deliver internal communications, especially to remote staff. Less communication with staff would lead to them being less informed and less able to be effective ambassadors who understand our values and behaviours, plus our aims and objectives for the borough. This would also make leadership more difficult.
Workforce
Reduced communications to staff means a less informed workforce able to understand its role and purpose within the organisation, and the corporate narrative.
Communities / Service Users
Having less informed residents in a 'post-truth' era runs the risk of less satisfaction with services and falling trust – plus more demands elsewhere across the organisation for information. A lack of understanding of our services and strategic vision is also likely to impact negatively on residents' and communities' resilience and understanding– or willingness – to do #yourbit.
Oldham Cares
The Communications team currently works alongside and supports the new Oldham Cares organisation on internal and external messaging, plus events and promotion, like The Big Conversation. A reduction would impact on Oldham Cares' ability to: ensure robust mechanisms are in place to inform and involve key stakeholders; identify opportunities and channels for genuine engagement and involvement; provide information for the key audiences in the format best suited to their needs; identify key messages, milestones and outcomes and how they will be communicated; support patient, carer and staff engagement.
Partner Organisations
Partner organisations need to be able to understand Oldham Council's corporate narrative and strategic vision for the borough. Diluting our ability to deliver this could lead to them feeling less informed and connected. It also might lead to them seeking information direct from services, which again shifts the response burden but does not necessarily save money.

Who are the key stakeholders?

Staff	**Yes**
Elected Members	**Yes**
Residents	**Yes**
Local business community	**Yes**
Schools	**Yes**
Trade Unions	**Yes**
External partners (if yes please specify below)	**Yes**
All i.e. Oldham Cares	

Other Council departments (if yes please specify below)	Yes
All	
Other (if yes please specify below)	**No**
N/A	
Benefits to the organisation/staff/customers including performance improvements	
A budget reduction of £0.150m in 2019/20	

Section C

Key Risks and Mitigations

Risk	Mitigation
The Communications Team will be unable to meet demand.	Priorities would have to be reviewed and activity reduced simply to support only statutory services.
Proactive communications would be vastly reduced.	A tightly-defined and agreed set of core priorities would have to be agreed across the organisation with an acceptance that many existing communications activities would cease.
A reduction in communication opportunities could lead to some areas delivering their own messaging.	Utilise Business Partner relationships and other avenues for communication within the organisation or partners.

Key Development and Delivery Milestones

Milestone	Timeline
Proposal presented to Overview and Scrutiny Performance and Value for Money Select Committee	5 February 2019
Staff and Trades Union consultations	February 2019 – March 2019
Implementation of proposal	April 2019

Section D

Consultation required?	Yes

	Start	Conclusion
Staff	February 2019	March 2019
Trade Union	February 2019	March 2019
Public	February 2019	March 2019
Service Users	February 2019	March 2019
Other	February 2019	March 2019

Equality Impact Screening

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

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

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

Section E

Finance comments
The approval of this proposal would generate on going budget reductions within Marketing and Communications as stated, however, should the organisational demand remain for marketing and communications at the current level then this may lead to external agencies being employed. Budgets would have to be managed to ensure that there was no adverse impact.

Signed RO	18/01/2019

Signed Finance	15/01/2019

Reference:	OPP-BR1-108

Responsible Officer :	Angela Lees

BR1 - Section A

Service Area :	**Soft Facilities Management**
Budget Reduction Title:	**Additional Bus Lane Enforcement to ensure consistency of provision within the Council controlled area**

Budget Reduction Proposal - Detail and Objectives :

As part of the Administration's budget reduction proposal an additional 5 bus lane enforcement routes have been consulted upon.

It is proposed to introduce a further lane at Rochdale Road Oldham and therefore ensure consistency of enforcement across the borough.

To enable the implementation, the relevant infrastructure will need to be purchased or put in place i.e. purchase of camera (capital), maintenance, signage, highways works, advertising and reviewing of CCTV (revenue). Any revenue costs, including the revenue implications of the capital expenditures, will be offset by income generated by Penalty Charge Notices (PCN's) issued.

The purchase of a new camera would be £0.020m. Civil works for lines and signs will cost approximately £0.003m resulting in an initial capital outlay of circa £0.023m.

If this alternative budget reduction proposal is approved, it is anticipated it would take circa six months to implement the works and the new CCTV system based on the implementation of previous bus lanes. The legal work associated with the updating of the traffic regulation order has already been completed.

Ongoing revenue costs are estimated to be in the region of £0.008m per annum.

Based on income received to date from existing bus lane enforcement, it is estimated that the additional income generated from the above route would have a value of circa £0.037m.

2018/19 Service Budget and Establishment	**£000**
Employees	113
Other Operational Expenses	1,898
Income	(2,088)
Total	**(77)**

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	3.5

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	(16)	(13)	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
Parking Services will negotiate the additional monitoring requirements with NSL, the Council's Parking Enforcement Agency
Future expected outcomes
None.
Organisation
Parking Services will performance manage the additional bus lanes through the NSL contact
Workforce
None.
Communities / Service Users
Minimal, as there are very few residential properties within the vicinity of the proposed bus lane enforcement site
Oldham Cares
None.
Partner Organisations
This will increase the enforcement work NSL currently undertake for the Council

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
The Council is seen by Transport for Greater Manchester (TfGM) to be enforcing bus lanes that were previously constructed but not enforced.

Section C

Key Risks and Mitigations

Risk	Mitigation
Level of PCNs issued does not meet the expected income levels	Regular updates on PCNs issued and an action plan developed for any adverse reduction in income generated Camera can be relocated if required
Negative publicity	Clear communication plan developed
N/A	N/A

Key Development and Delivery Milestones

Milestone	Timeline
Programme of infrastructure and camera installation works are implemented	August 2019
Implementation of bus lane enforcement	September 2019
N/A	N/A
N/A	N/A

Section D

Consultation required?	**No (previously completed)**

	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

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

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

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

Section E

Finance comments
Finance comments are included within the additional information section.

Signed RO	14/12/2018

Signed Finance	12/12/2018

Additional information (if required)

The proposal is to install 1 new enforcement camera at the bus lane on Rochdale Road, Oldham.

The proposal requires an initial capital outlay of circa £0.023m to cover the purchase and installation of the cameras and the required groundwork / site preparation. (The 1st years licencing and software costs are included in this figure).

It is anticipated that the new camera will generate circa £0.037m per annum in additional income based on estimated contravention figures of 1,092 PCN's paid at the current average payment rate of £33.62. The estimated contravention figures are based on the current bus lane enforcement cameras in operation.

Ongoing management and maintenance costs have been calculated at circa £8k per annum resulting in a net income generation of £0.029m.

	£'000
Income	(37)
Expenditure	8
Net Surplus	(29)

Due to a six month lead-in time, the first year option has been calculated at £0.016m increasing to £0.029m in the second full year of operation.

It is anticipated that the initial capital outlay will be funded through unallocated capital resources. However if funding is met through additional prudential borrowing the service will incur annual repayment costs. This will reduce the full year impact of the budget option.

Reference:	OPP-BR1-109

Responsible Officer :	John McAuley

BR1 - Section A

Service Area :	Street Lighting
Budget Reduction Title:	Review of Existing Dimming Regime

Budget Reduction Proposal - Detail and Objectives :

The Liberal Democrats are proposing to further reduce energy consumption by reviewing the current dimming regime specifically to reduce the lighting levels from 100% to 75% from – Dusk to 22:00 and 05:00 to Dawn for both Traffic Routes and Residential Areas.

By implementing a variable lighting strategy the financial impact can be reduced whilst still maintaining a street lighting provision. However it should be noted that a reduction in light output is not directly proportional to a reduction in energy consumption. This is as a result of the additional energy used by the street light's control equipment.

A scheme of variable street lighting went live across Oldham from January 2016 following trialling across 1,000 lanterns in the borough.

The new street lights have the ability to vary the light output anywhere between 100% and 50%, however it is common practice to reduce the levels in steps of 25% as this equates to one lighting class (in accordance with British Standards lighting design). This provides three stepped options as follows – 100% (full brightness), 75% (a 25% reduction in light) and 50% (half brightness).

Under a scheme of delegated authority, the Portfolio Holder determined a scheme for dimming lights in the borough, details of the current regime can be found in Additional Information. The exception within the scheme is in respect of locations advised by Community Safety, the Police and areas covered by fixed CCTV sites. These areas will remain at 100% during the hours of darkness. These locations will be reviewed periodically in conjunction with Community Safety and the Police.

A review has been made of Street Lighting energy consumption/cost for the calendar years 2015 and 2016 and this shows that the number of Kilowatt hours (KWH) consumed has fallen by 1,260,946 resulting in a year on year saving of £0.183m. Further details can be found in Section 1 within additional information.

One proposal could be to reduce lighting between 22.00 hrs and 05.00 hrs by a further 25%. This would mean that at these times, lanterns would have been dimmed by 75%. Technical guidance suggests that lighting at such low levels would impact adversely on lantern performance and shorten their lifespan thus leading to increased costs elsewhere.

An alternative proposal is to reduce the Dusk to 22.00 hrs and 05.00hrs to Dawn lighting periods from 100% to 75% (i.e. 25% across the board). It is estimated that this could produce a further saving of £0.055m p.a. on top of the £0.183m already achieved in 2016/17. The proposal is set out in the following tables:

For traffic routes (Proposed)

Hours	Dusk –22:00	22:00 – 24:00	24:00 –05:00	05:00 – Dawn
Option approved	75%	75%	50%	75%

For residential areas (Proposed)

Hours	Dusk –22:00	22:00 – 24:00	24:00 –05:00	05:00 – Dawn
Option approved	75%	50%	50%	75%

Comparison of Energy Usage / Cost

The proposed review of the dimming regime has assumed the street lighting operating hours per annum of 4,015 and base hour levels have assumed to be at 7pm average switch on and 6am average switch off for a 365 day period.

It should be noted that the current lighting reductions were achieved after consultation and advice from parties such as the Police, Highways, Health and Safety etc. A similar process would need to be considered to ensure that lighting continues to be set at a standard that minimises crime and third party claims.

The original detail from the proposal to dim lights in 2015 & 2016 will need to be revisited to ensure there are no further impact changes and the proposal is still feasible.

2018/19 Service Budget and Establishment	**£000**
Employees	133
Other Operational Expenses	6,459
Income	(2,530)
Total	4,062

Current Forecast (under) / overspend	(60)

Number of posts (Full time equivalent)	3 Oldham, 1 Rochdale

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	(55)	0	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

Property
The savings associated with dimming street lighting will result in savings in energy costs for the Council.
Service Delivery
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.
Future expected outcomes
None.
Organisation
The organisation will see a reduction in its energy costs.
Workforce
None.
Communities / Service Users
The wider community may feel that the reduction in street lighting will put them at risk. Engagement with stakeholders will take place prior to the implementation to ensure this risk is minimised.
Oldham Cares
None.
Partner Organisations
Council officers will engage and work with other community groups to ensure that any concerns are dealt with and risks are minimised.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
The benefits are a reduction in energy costs and there are no staff implications, however there is a reduction in lighting performance that could potentially impact on public safety, crime, and third party claims.

Section C

Key Risks and Mitigations

Risk	Mitigation
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.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones

Milestone	Timeline
Proposal presented to Overview and Scrutiny Performance and Value for Money Select Committee	5 February 2019
Consultation with the public and partner organisations	February 2019 – March 2019
Start the implementation of the dimming scheme throughout the Borough	April 2019

Section D

Consultation required?	Yes

	Start	Conclusion
Staff	No	N/A
Trade Union	No	N/A
Public	February 2019	March 2019
Service Users	February 2019	March 2019
Other - Stakeholders	February 2019	March 2019

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

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

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

Section E

Finance comments
The Street Lighting PFI commenced in 2012. It is managed on a joint basis by Oldham Council and Rochdale Council via a joint authority board. Day to day management is provided by a small core team of 4 officers based at Kingsway, Rochdale. The PFI receives partial funding from the Department for Transport totalling approximately £2.5M p.a. Oldham Council has authority to determine its own lighting standards provided they meet national minimum standards and subject to the technical limitations imposed by its own lighting stock. The current scheme of dimming for Oldham was put in place in 2016. If this proposal is agreed then this would represent a second phase of dimming across the borough. As energy costs are incurred by Corporate Landlord (cost centre 12266) and then recharged to other services, the saving would be made under that budget heading.

Signed RO	08/01/2019

Signed Finance	08/01/2019

Additional information (if required)

1. The current dimming regime

For traffic routes: (Existing)

Hours	Dusk to 22:00	22:00 to 24:00	24:00 –05:00	05:00 – Dawn
Option approved	100%	75%	50%	100%

For residential areas (Existing)

Hours	Dusk –22:00	22:00 – 24:00	24:00 –05:00	05:00 – Dawn
Option approved	100%	50%	50%	100%

2. Year on Year Comparison of Energy Usage/Cost

Month	2015		2016	
	Energy Usage	Cost	Energy Usage	Cost
	KWH	£	KWH	£
January	835,223	117,207	1,130,848	176,984
February	986,772	197,784	942,839	147,565
March	1,003,608	140,815	801,122	125,397
April	738,244	103,539	629,057	88,863
May	628,491	88,157	518,775	73,294
June	534,377	74,968	375,988	53,134
July	557,929	78,267	418,708	59,167
August	683,625	95,888	530,833	74,997
September	773,365	55,558	644,609	91,058
October	954,417	149,413	797,407	112,632
November	1,057,788	165,610	889,176	125,587
December	1,171,137	183,287	984,668	139,070
Total	9,924,975	1,450,492	8,664,029	1,267,748
Year on Year Reduction in Usage/Cost			(1,260,946)	(182,744)

Reference:	OPP-BR1-110

Responsible Officer :	Corporate

BR1 - Section A

Service Area :	**Corporate**
Budget Reduction Title:	**Reduce in travel budgets to ensure the most efficient method of transport is used for essential Council business**

Budget Reduction Proposal - Detail and Objectives :

In April 2018, the Council received a Freedom of Information (FOI) request asking for details of all flights paid for by the Council within the period 1 January 2015 and 31 March 2018. Within this period Oldham Council reported a number of flights to differing destinations domestically and beyond. A significant number of these flights were funded by external sources however some costs were incurred by the general fund and so there is scope to reduce the impact on Council mainstream funding.

By ensuring that the most efficient and cost effective method for travel is used, it is proposed to reduce travel expenditure budgets by £0.005m in 2019/20. Travel budgets are held across the organisation and therefore this reduction would be cross cutting.

2018/19 Service Budget and Establishment	**£000**
Employees	0
Other Operational Expenses	71
Income	0
Total	71

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	0

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	(5)	0	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
None.
Future expected outcomes
Most efficient use of transport is used for Council business.
Organisation
None.
Workforce
None.
Communities / Service Users
None.
Oldham Cares
None.
Partner Organisations
None.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Most efficient use of transport is used for Council business which will generate financial efficiencies for the Council.

Section C

Key Risks and Mitigations

Risk	Mitigation
Employees continue to book flights for Council business.	Staff communication through Departmental Management Teams to ensure most cost effective and efficient transport solution is used. Exception reporting to be developed to identify any areas of non-compliance. Details of any such instances will be reported back to the Senior Management Team.
N/A	N/A
N/A	N/A

Key Development and Delivery Milestones

Milestone	Timeline
Proposal presented to Overview and Scrutiny Performance and Value for Money Select Committee	5 February 2019
Implementation of proposal	April 2019
N/A	N/A
N/A	N/A

Section D

Consultation required?	No

	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

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

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

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

Section E

Finance comments
The approval of this budget reduction proposal would reduce travel budgets by £0.005m. Budgets for travel are held across the Council and therefore this would be a cross cutting saving.

Signed RO	17/01/2019

Signed Finance	17/01/2019

Reference:	OPP-BR1-111

Responsible Officer :	Annie O'Neill

BR1 - Section A

Service Area :	**Heritage, Libraries and Arts**
Budget Reduction Title:	**Generating additional income through increased renting out of artworks to other institutions and interested parties subject to security**

Budget Reduction Proposal - Detail and Objectives :

The Council owns a diverse range of fine and decorative art which consists of 450 oil paintings, 500 watercolours and 1,400 prints. This includes a Charles Lees collection of paintings, drawings and engravings and 55 watercolours and drawings from the S.C. Turner collection.

Currently the Council loans items from the collections to accredited museums and galleries both nationally and internationally for public exhibitions. Whilst there is often a financial transaction involved this is to cover the cost of insurance, conservation and transport and does not generate a surplus. Also loans of this nature are a reciprocal arrangement whereby the Council is able to borrow items from collections around the country at minimal cost. It is an established principle that all museums support the appropriate loan of collections for public access.

The Opposition are proposing to expand the current arrangements to include an income generation element and provide private and corporate artwork lending. This proposal could inhibit the current reciprocal arrangements between museums and a private and corporate lending scheme could be costly to establish. As there is a need to fully test the market and quantify all relevant costs, including staff time, insurance valuations, conservation, framing, packing and marketing, it is currently difficult to assess if the notional income target of £0.002m proposed for 2019/20 is feasible.

2018/19 Service Budget and Establishment	**£000**
Employees	854
Other Operational Expenses	347
Income	(51)
Total	1,150

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	24.52

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	(2)	0	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

Property
None.
Service Delivery
The service are currently at capacity due to urgent conservation and restoration works required following a flood in March 2018, which resulted in damage to over 1,000 items within the Council's collection. Any additional tasks would therefore require additional recruitment and staffing costs.
Future expected outcomes
None.
Organisation
None.
Workforce
Additional staff time needed to check conditions, prepare works, pack items, document and market.
Communities / Service Users
None.
Oldham Cares
None.
Partner Organisations
Some museum and gallery partners will incur additional charges which might make loans unfeasible.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Increased income generation from existing resources, although this would need to be off-set by the cost of implementation.

Section C

Key Risks and Mitigations

Risk	Mitigation
The lending scheme proves uneconomical to run due to increased staffing, materials, marketing and insurance costs and a lack of commercial demand.	Funding will need to be found for extensive market testing to be undertaken to ensure an adequate level of demand exists at a price which will cover additional costs.
Additional charges for public institutions borrowing artworks from Oldham inhibit opportunities for Oldham to receive loans from other museums.	Consideration given as to how costs are included in loan agreements.
Loss or damage to items within the Councils art collection.	Strict insurance controls would need to be in place before any artwork is transferred outside the Council's control. Particularly around transport, storage and display.

Key Development and Delivery Milestones

Milestone	Timeline
Proposal presented to Overview and Scrutiny Performance and Value for Money Select Committee	5 February 2019
Market testing and feasibility assessments completed.	February 2019 – March 2019
Potential loan items identified and programme of reframing and conservation underway.	March – June 2019
Scheme templates and processes developed to minimise additional workload and materials purchased	March 2019 – May 2019
Marketing and launch of scheme	From June 2019

Section D

Consultation required?	No

	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	N/A	N/A
Service Users	N/A	N/A
Other	N/A	N/A

Equality Impact Screening

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

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

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

Section E

Finance comments
The increase in income target for loaning out of fine art work by £0.002m will mean that the existing reciprocal arrangements are shifted to that of a profit making commercial basis. Increased activity in loaning out fine art work will incur addition costs in packaging, transportation, marketing and display. No market testing has been carried out to identify if there is sufficient demand to meet the increased income target. Any shortfalls against the income target must be met from existing budget within the Gallery Service. C. Holdaway

Signed RO	08/01/2019

Signed Finance	09/01/2019

Additional information (if required)
The Arts & Heritage Service budgets are currently ring-fenced whilst the new business model for the Oldham Heritage & Arts Centre (OMA) is developed. The current revenue budget is under significant pressure as OMA will deliver and expanded cultural offer with existing resources and there is an expectation that a year-on-year saving will be achieved after opening. It should be noted that museums operate a mutually beneficial reciprocal lending arrangement between themselves, which works effectively for the public benefit. Private and Corporate art lending schemes have been run by different institutions in the past, however we are not aware of any that are still operational. The main reasons for this appear to be running costs and lack of demand.

Reference:	OPP-BR1-112

Responsible Officer :	Jon Bloor

BR1 - Section A

Service Area :	**Community / Adult Learning**
Budget Reduction Title:	**Charging for leisure courses within Lifelong Learning to reduce the Council subsidy**

Budget Reduction Proposal - Detail and Objectives :

The aim of the Lifelong Learning Service is to deliver high quality, accessible local learning opportunities which enable adults to realise their potential and gain employment by developing their confidence, creativity, knowledge and skills.

The Lifelong Learning service is mainly grant funded through the Education and Skills Funding Agency (ESFA) however the Council provides some mainstream funding to support the running of the service for example central support charges.

All lifelong learning courses are for people aged 19 years and over and are delivered across the borough at various sites. The Service complies with ESFA requirements to provide free courses for designated categories of learners. For other learner courses fees are charged and these must be used to co-fund the delivery of learning. Some learners are entitled to a concessionary rate and therefore pay a reduced fee towards a number of leisure courses.

The Liberal Democrat's propose to remove the concessionary rate for non-essential leisure courses such as arts and crafts and sewing which will reduce the amount of Council funding required for this service by £0.003m for 2019/20.

Please note that if this proposal is approved, a full Equality Impact Assessment will be required.

2018/19 Service Budget and Establishment	**£000**
Employees	2,317
Other Operational Expenses	616
Income	(3,275)
Total	(342)

Current Forecast (under) / overspend	0

Number of posts (Full time equivalent)	62.31

	2019/20	**2020/21**	**2021/22**
Proposed Budget Reduction (£000)	(3)	0	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' in 2019/20 or is it ongoing?	Ongoing

Section B

What impact does the proposal have on the following?

Property
Some sites will become less viable including Shaw and Failsworth.
Service Delivery
If concessions are removed this could impact on the volume of learners who can afford the full fees and this would impact on the achievement of service targets.
Future expected outcomes
A reduced uptake in this provision and reduced learner numbers which will impact on the value of the service in terms of devolution. There are unknown risks to funding in respect of the devolution to Greater Manchester of the Adult Skills budget including the Community Learning element for non-essential 'leisure' type courses.
Organisation
Organisation will become smaller. Reputational damage/fall out as provision is priced out of the market for non-essential leisure courses.
Workforce
Reduced workforce numbers. Redundancy costs. Loss of highly skilled tutors in specialist subjects.
Communities / Service Users
Social Isolation - see Equality Impact screening section for breakdown of learners on this type of provision.
Oldham Cares
Negative impact on health and wellbeing as some learners will not be able to attend if costs increase.
Partner Organisations
Impact on fees we are able to pay to providers so that we can be located in places where learners are able to access our provision.

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements
Generate £3,000 for the Organisation.

Section C

Key Risks and Mitigations

Risk	Mitigation
Lose learners due to increased cost.	Recruit more learners who are able to pay full cost via marketing and advertising of provision.
Increased social isolation of learners.	Need to refer to other agencies who can support with these issues.
Reduction in viability of training space.	Hire additional space as and when required for provision.

Key Development and Delivery Milestones

Milestone	Timeline
Consultation with learners	April – May 2019
Communication of change of policy for concessions	June 2019
Fees policy reviewed/changed	June 2019
N/A	N/A

Section D

Consultation required?	Yes

	Start	Conclusion
Staff	N/A	N/A
Trade Union	N/A	N/A
Public	N/A	N/A
Service Users	April 2019	May 2019
Other	N/A	N/A

Equality Impact Screening

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

Disabled people	**YES 21% on CL courses declared a disability**
Particular Ethnic Groups	**YES 51.8% BME**
Men or Women (including impacts due to pregnancy / maternity)	**YES 77.3% Female 22.7% Male**
People who are married or in a civil partnership	**Unknown**
People of particular sexual orientation	**Unknown**
People who are proposing to undergo, undergoing or have undergone a process or part of a process of gender reassignment	**Unknown**
People on low incomes	**YES 63.1%**
People in particular age groups	**YES 16-18 – 0.2% 19-24 – 6.6% 25-34 24.4% 35-44 27.1% 45-54 – 17.3% 55-64 – 12.5% 65+ - 12%**
Groups with particular faiths and beliefs	**Unknown**

EIA required? (choose YES if any of the above impacts are YES)	YES

Section E

Finance comments
The additional income generated could have an adverse effect on overall learner numbers as the additional pricing could lead to reduced overall numbers. In 2017/18, out of the 1,173 enrolments there were 480 concessions who booked on the non-essential leisure courses. The average hourly rate for one of these courses is £3.70 of which the concessionary rate equates to £1.20. Each course on average is 3 hours in duration. Although learner numbers could decline, it is anticipated that an additional income of £0.003m could be generated to support the Council's overall annual budget position. (Catherine Dunkerley)

Signed RO	11/01/2019

Signed Finance	11/01/2019

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