
Report to Council

Liberal Democrats Budget Amendment Proposals 2021/22

Portfolio Holder: Deputy Leader of the Main Opposition, and Lead Member for Finance and Green, Liberal Democrat Group, Councillor Chris Gloster

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Reason for Decision

The report presents to Council the Liberal Democrats suggested amendments to the Administration's Budget proposals for 2021/22 and offers some forward-looking proposals to achieve savings in future years.

Executive Summary

The report presents to Council, a number of 2021/22 budget amendments in addition to those proposals already presented by the Administration.

This report identifies additional savings totalling £1.109m in 2021/22 and £0.279m in 2022/23 which can be considered individually or collectively. There are also initial investments that will be funded from the range of savings proposals put forward to offset the increased expenditure and suggested amendments to the Capital Programme. Details of the proposals can be found in section 3 and in summary at Appendix A. Business cases for the individual budget reductions can be found at Appendix B.

Following the presentation of the Liberal Democrat Budget Amendment proposals to Overview and Scrutiny Performance and Value for Money (PVFM) Select Committee on 9 February 2021, the Committee did not make any recommendations to Cabinet to change the Administration budget. However, there was a recognition that the review of Car Allowances had been agreed in the past and whilst work did not proceed in this area during 2020/21 as the Council dealt with the Covid-19 pandemic, the Committee was keen to ensure that the work would be undertaken as previously promised. The Committee would therefore follow up on this matter during 2021/22. PVFM acknowledged and recognised the issues in relation to the Liberal Democrats suggested amendments to the Capital Programme. However, it considered that the current programme reflected the priorities of the Council given the current level of resources available to support capital expenditure and

as none of the savings proposals to finance them could be agreed, the prioritised expenditure could not be revised.

The Liberal Democrats are disappointed that none of the proposals have been recommended believing they are sensible options and therefore propose that Council agrees the recommendations within this report.

Recommendations

Council agrees that:

1. The Investment and Savings proposals for 2021/22 as summarised at Appendix A are approved.
2. The work required to deliver the 2022/23 proposals is started immediately so the opportunity to generate savings in future years is not compromised.
3. The amendments to the Administration's proposed Capital Programme are implemented as set out in this report.

Liberal Democrats Budget Amendment Proposals 2021/22**1. Background**

- 1.1 The Council is required by legislation to produce a balanced budget each financial year. Aside from the legal requirements, financial plans are important because they set out the financial management of the Council's policies and guide officers on the areas where they should prioritise resources.
- 1.2 In the current economic environment, it is becoming more difficult to deliver a balanced budget. With one Local Authority already issuing its second Section 114 notice banning all non-essential spending, others having received Government support to enable them to deliver a balanced position in 2020/21 and to set a balanced budget for 2021/22, safe stewardship of the Council's resources and supporting deliverable priorities are becoming even more important.
- 1.3 The Liberal Democrats produce budget amendments to challenge key decisions set out by the Administration, identify other areas for revenue savings and propose alternative priority areas for the Council to concentrate its resources. There is also a review of the Administration's Capital Programme with the Liberal Democrats proposing alternative schemes to deliver their priorities.
- 1.4 In producing this budget amendment, the Liberal Democrats offer common-sense practical solutions to the borough's problems and challenge the Administration to cut waste and provide the value-for-money local services the public want. Throughout this document there is a focus on developing the borough and improving the health, wealth and wellbeing of residents.

2. Current Position

- 2.1 The context of the whole budget setting process is so vastly different this year, the extent of the pandemic could not have been anticipated when the 2020/21 budget was agreed. The Covid-19 pandemic has had a profound and far reaching impact on the Council in terms of service delivery, already a source of uncertainty particularly around anticipated demand, and has put pressure on already strained expenditure budgets in several areas.
- 2.2 An additional issue which should not be underestimated is the impact of Brexit. The transition period ended on 1 January 2021 and Local Authorities across the country are having to deal with the impact of this whilst also dealing with the pandemic. The economy has already entered a recession for the first time in 11 years. Further economic downturn is likely to disproportionately affect less prosperous areas, including Oldham. If the cost of trading with European countries results in prices increases, the manufacturing base in the borough is likely to shrink potentially resulting in job losses and a contraction of the Business Rates tax base.
- 2.3 Considering these factors and existing budget constraints, the Administration has presented a series of savings proposals as part of the 2021/22 budget setting process. The Liberal Democrats recognise that, especially for the forthcoming budget, difficult choices need to be made to ensure a balanced budget can be presented to Council, and therefore accept the proposals for 2021/22. In doing so the Liberal Democrats recognise the future savings required to reduce the future reliance on reserves as set out in the Medium Term Financial Strategy are a challenge but are assured at this stage the Council has appropriate plans in place to improve its long-term financial resilience reducing its reliance on one off reserves.

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- 2.4 The proposal by the Administration to increase Oldham Council's element of Council Tax by 0.99% for 2021/22 as well as the 2% increase for the Adult Social Care Precept (ASCP) is also accepted by the Liberal Democrats (with a deferral of an additional 1% increase in the ASCP until 2022/23).
- 2.5 Despite the position we find ourselves in we must continue to strive for improvements in the borough. More than ever the decisions we make now will have a direct impact on future generations, therefore collectively, we want to ensure that the correct priorities are at the forefront of decision-making processes. As such the budget amendments included in this report can be categorised into broad themes based on Liberal Democrat priorities:

Tackling Health Deprivation

- 2.6 As part of its previously reported 2020/21 budget amendment proposals the Liberal Democrats made Tackling Health Deprivation a key issue. This has been made even more relevant by the Covid-19 pandemic, with individuals from deprived areas more likely to contract the virus, not be vaccinated and more likely to suffer more serious health consequences.
- 2.7 Establishing adequate health infrastructure across the Borough is now even more critical given the current international pandemic. Therefore, tackling health deprivation will remain at the heart of the 2021/22 budget amendment proposals.
- 2.8 The most recent information published by the Ministry for Housing, Communities and Local Government (MHCLG) remains The English Indices of Deprivation 2019 and this shows that Oldham is ranked the 16th most deprived Local Authority district in England. This deprivation has got worse since the publication of the 2015 Indices of Deprivation where Oldham was ranked the 27th most deprived Local Authority in England. This is a worrying trend considering the profound effects deprivation has on residents. Given the long-lasting impact Covid-19 can have on health, particularly where individuals already have underlying health conditions there is added impetus to try and reverse this trend.
- 2.9 Poor physical or mental health can result in reduced life expectancy and the impairment of quality of life. The Liberal Democrats are committed to improving the physical and mental health of residents of the borough through the proposals set out in this report, including the building of 3 new health care centres across the borough as a priority in the Capital Programme.
- 2.10 Given the number of new homes that will be built across the borough, particularly through the Place for Everyone proposals, there is a genuine concern amongst residents that the current health infrastructure is not capable of supporting the growing population meaning that the additional health centres are becoming even more vital.

Combatting Climate Change

- 2.11 The United Nations describes climate change as the defining issue of our time. From shifting weather patterns that threaten food production, to rising sea levels that increase the risk of catastrophic flooding, the impacts of climate change are global in scope and unprecedented in scale. Recognising this issue, the Liberal Democrats successfully called on the Council to declare a climate emergency, pushing the Council to do more to tackle climate change issues.
- 2.12 In March 2019, the Greater Manchester five-year Environment Plan was launched, which commits the city region to achieving 'carbon neutrality' by 2038. Following on from this the Council announced its commitment to be the UK's first Green New Deal Council in July 2019, with a target of carbon neutrality for the borough by 2030, and for the Council itself by 2025.

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- 2.13 The decisions that are made on a national and a local level today will impact on how the planet looks for future generations. The Liberal Democrats believe that policies designed to combat climate change need to be incorporated within the Council's budget now in order to have an impact.
- 2.14 Whilst the Liberal Democrats acknowledge and welcome the work that the Council intends to do over the future period, they propose that additional funding is provided within the Capital Programme to expedite the benefits that combatting climate change will bring. Further details of the proposals can be found at paragraphs 3.11 and 3.12.
- 2.15 The Liberal Democrats recognise that these priorities will not be achieved in the short term, therefore there is a real focus on including both revenue and capital investment proposals that tackle this issue within these budget amendment proposals. The proposals we have identified are also set against a background of ensuring the best interests of the borough are supported through every day decision making at the Council, for example the Liberal Democrats believe that the Council should use its spending power to support the local economy by, whenever possible, spending locally and employing residents as staff or contractors.

3. 2021/22 Proposals

- 3.1 The Liberal Democrats propose a range of specific budget amendments to be considered this year. These are split into:
- An alternative Capital Programme 2021/22 to 2025/26
 - Investment proposals which would achieve significant benefits within the borough
 - Budget Reduction proposals where it is considered individual service areas can make new or additional savings in order to fund the investment proposals put forward in this report.
- 3.2 If the savings proposals are acceptable to the Administration, then they have the option to reduce the level of reserves required to support the budget, improving the financial resilience of the Council.

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

- 3.3 The Liberal Democrats are proposing a series of adjustments to the Council's Capital Programme in order to achieve the goals of tackling health deprivation for residents, combatting climate change and regenerating the borough.
- 3.4 The proposed amendments include a revision to the planned allocation of resources within the Creating a Better Place strategy whilst rephrasing and expanding the Administration's programme by adding additional investment. Further details of these proposals are included below with a summary shown in Table 1.

A - New health centres in Shaw, Saddleworth and Chadderton to tackle the increasing health deprivation within the borough

- 3.5 The Liberal Democrats have often highlighted the importance of tackling health deprivation and inequalities across the Council and hold it as one of their core values. An expanding population and a persistent lack of investment in health infrastructure has resulted in over stretched, under resourced services with several existing Health Centres unable to cope with demand.
- 3.6 The Liberal Democrats are disappointed to see the Administration has removed a previously agreed allocation of £6.000m from their Capital Programme to support the development of one new healthcare centre from. The Liberal Democrats believe that new healthcare centres

are essential for reducing health inequalities, deprivation in the borough and responding to future pandemics. Removing future funding for healthcare centres during a global pandemic is both short sighted and shows a lack of understanding of the future risks to the long-term health needs of Oldham residents.

- 3.7 The Liberal Democrats propose to provide £18.000m for the development of three new healthcare centres over the 4 financial years 2022/23 - 2025/26 with Shaw being identified as the priority for development. It is also proposed that two additional healthcare centres in Saddleworth and Chadderton, are developed to ensure consistency of health provision across the whole of Oldham. This will enable the work done by the Oldham Clinical Commissioning Group on outline business cases for new Health Centres to be further developed to provide appropriate facilities.

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

- 3.8 The Liberal Democrat Group has long advocated prompt and effective action be taken by this Council to address Climate Change and reduce this organisation's Carbon Footprint. For this budget we intend to expand on the proposals, to implement 'green' projects that will provide transparent verifiable non-financial benefits. As the Government's recent publication "The Ten Point Plan for a Green Industrial Revolution" shows, projects that benefit the environment can also bring jobs and other benefits for the locality.
- 3.9 We have introduced numerous proposals in Council including identifying the measures needed to abandon the use of single-use plastics, to promote of the take-up of electric vehicles, and to utilise geothermal and other renewable energy sources.
- 3.10 Despite the fact that the Climate Change Act 2008 did not include a statutory duty for Local Authorities to develop plans or deliver cuts to emissions, the Council announced its commitment to be the UK's first Green New Deal Council in July 2019, with a target of carbon neutrality for the Council borough by 2025 and for the Borough itself by 2030. It is also creditable that, at the instigation of the Liberal Democrat Group, the Council joined many other UK Local Authorities in declaring a Climate Emergency in September 2019. The Liberal Democrat Group both welcomes and supports these developments; the Group will do everything that it can to support the Administration in their realisation. Accordingly, we also welcome the recent re-establishment of a cross-party group, to enable elected members from all parties to work together on this strategic issue.
- 3.11 Whilst the Administration has a number of schemes planned to tackle Climate Change, such as increasing the number of electric vehicle charging points across the whole of the borough, the Liberal Democrats believe that more can be done and done earlier, to deal with this issue. It is therefore proposed that additional capital investment be made available for this purpose of £6.500 million over the period 2021/22 to 2025/26; £0.500m in 2021/22 with £1.500m in each year thereafter up to 2025/26.
- 3.12 In line with the Governments '10 Point Plan' detailed above the Liberal Democrats will make this funding available for the following priority areas:

Create Greener Buildings

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

Greener Transport

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

C - Create a specific investment fund for the borough's footpaths and bring them up to standard

- 3.13 This has been a proposal of the main Opposition Party over a number of years, however there is still no specific fund to provide for footpaths. It is therefore proposed by the Liberal Democrats that a specific investment fund of £2.500m for the period 2021/22 to 2025/26 be made available within the Capital Programme. This would equate to £0.500m per financial year over this period. Projects such as this contribute to the regeneration of the Borough and allow us to build back better in a post Covid-19 environment, giving local people a sense of pride in their surroundings. The proposal also links with the “20 is Plenty” revenue investment proposal detailed at paragraph 3.23, ensuring footpaths are well maintained and slowing traffic down will keep the most vulnerable members of our society safe whilst they are out and about.
- 3.14 The additional capital investment required to deliver the above would be £27.000m, however the Liberal Democrats propose to reallocate £7.000m from the Emerging Priorities funding identified in the Administrations Capital Strategy. Further details of this is set out in the table below:

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

Scheme	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Liberal Democrats Proposed Capital Programme						
A - New Health Centres - Shaw, Saddleworth and Chadderton	0	3,000	6,000	6,000	3,000	18,000
B – Combatting Climate Change	500	1,500	1,500	1,500	1,500	6,500
C - Specific fund for improving footpaths across the borough	500	500	500	500	500	2,500
	1,000	5,000	8,000	8,000	5,000	27,000

- 3.15 The Liberal Democrats propose to reallocate part of the funds identified in the Administrations Capital Strategy for Emerging Priorities as shown in the table below. This partially offsets the revenue implications of additional schemes added to the Capital Programme, by the Liberal Democrats but maintains the Council’s flexibility to adapt to changing environments, requests for emergency schemes and match funding requirements.

Table 2 – Reallocation of Funding for Emerging Priorities

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total
Funding for Emerging Priorities - as per Capital Strategy	1,442	4,200	3,200	1,500	3,896	14,238
Funding to be Utilised for:						
New Health Centres - Shaw, Saddleworth and Chadderton	0	2,000	1,500	0	0	3,500
Specific fund for improving footpaths across the borough	500	500	500	500	500	2,500
Climate Change	0	0	0	0	1,000	1,000
Total Opposition Budget proposals funded from Emerging Priorities	500	2,500	2,000	500	1,500	7,000
Revised Funding for Emerging Priorities	942	1,700	1,200	1,000	2,396	7,238

- 3.16 The additional revenue cost to deliver this additional capital investment would be as follows. Whilst the cost for 2022/23 has been addressed, future years implications will be dealt with in the context of the budget setting arrangements for those years.

Table 3 – Additional Revenue cost of Capital Investment

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Additional revenue cost of capital investment	-	27	159	478	1,062

Investment Proposals

- 3.17 The Liberal Democrats are proposing to spend all of the £1.109m resources made available by the savings identified in 2021/22 to invest in a range of proposals aimed at improving the lives of residents within the borough. Details of the individual investment proposals are provided below.

Provide a revenue fund to assist the Oldham Clinical Commissioning Group (CCG) work up detailed business cases for the proposed new health centres in Shaw, Saddleworth and Chadderton (£0.600m)

- 3.18 This investment proposal is similar to that made in the Liberal Democrats Budget Amendment Proposals for 2019/20. Revenue funding (held by the Oldham CCG) of £0.850m has been awarded to progress an outline business case for these health centres (these reports have now been produced in draft) which, if viable, could be used to develop a full business case.
- 3.19 The Liberal Democrats are proposing to provide revenue funding of £0.600m to assist the Oldham CCG with the further development of these Health Centres before construction. The funding will be made available on an ongoing basis for the period 2021/22 to 2023/24. Following this period, the amount will be written back into the budget in order to mitigate the impact of the increased capital expenditure on revenue budgets.

Reverse the Administration's reduction in Parish Council Grant funding (£0.015m)

- 3.20 The Liberal Democrats propose to reinstate a prior reduction of Parish Council Grant funding for both Saddleworth and Shaw & Crompton Parish Councils at a value of £0.015m. The

Administration began the reduction in Parish Council funding as part of the 2017/18 budget setting process and reduced the grant for three financial years to 2019/20 in line with the reductions in Revenue Support Grant imposed by Central Government.

3.21 The Liberal Democrats have always believed that Parish Councils are an essential part of the structure of local democracy and have a vital role in acting on behalf of the communities they represent and therefore propose the full reinstatement of this funding for 2021/22 to ensure activities such as the following can continue to:

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

Increase the investment in tackling environmental crime to combat issues such as fly tipping, littering and dog fouling across the borough (£0.294m)

3.22 The Liberal Democrats believe that visible incidences of environmental crime such as fly tipping, littering and dog fouling create an environment that encourages further acts, e.g. a culture where 'because they've done it, I can too'. Focusing on the prevention of these crimes and quickly remedying any acts that do occur helps to create a positive atmosphere and encourages residents to have pride in where they live, which will then in turn reduce future infractions. It is therefore proposed to increase the previous Administration investment in tackling environmental crime by £0.294m in 2021/22.

20 is Plenty (£0.200m)

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

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

3.25 In order to promote these benefits within the borough the Liberal Democrats propose to create a reserve fund to increase signage, education and implement light-touch policing around the introduction of 20 mile per hour zones for traffic, especially in front of Schools and other high-risk areas. The contribution to the reserve would increase by an additional £0.252m in 2022/23.

4. Liberal Democrat Alternative Budget Reduction Proposals

4.1 The Liberal Democrats are proposing a range of challenging budget reduction 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. Brief summaries of the savings proposals are provided below with full proformas at Appendix B.

OPP-BR1-201 - Additional Vacancy Management factor to achieve greater efficiency including limiting the present use of agency staff and consultants (£0.473m)

- 4.2 For the 2019/20 budget, the Administration agreed 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 would become vacant or would be held vacant during that financial year due to staff turnover. This has continued for 2020/21 and 2021/22 budget setting.
- 4.3 To assist in reducing the number of agency staff and consultants used across the Council further, the Liberal Democrats propose that a further saving for 2021/22 should be applied at a rate of 0.75% to all Council mainstream employee budgets. This 0.75% vacancy management factor would generate a saving of £0.473m.

OPP-BR1-202 - Reduction in the amount of stationery purchased across the authority (£0.010m)

- 4.4 The purchase of stationery is completed by individual teams across the organisation on an ad hoc basis which does not always ensure best value for money through economies of scale.
- 4.5 It is suggested that stationery could be centralised in specific locations across the borough i.e. at the Civic Centre. This would ensure that better value for money was being achieved through increased understanding of which items are required, volumes etc. Also, with the current dramatic increase in homeworking as a result of the Covid-19 pandemic this saving would be temporarily increased. As such, the Liberal Democrats propose a budget reduction of £0.010m for 2021/22, with £0.005m built back into the budget for 2022/23 in the event staff return to office working without an associated increase in expenditure.

OPP-BR1-203 – Reduction of refreshments budgets (£0.004m)

- 4.6 In a pre Covid-19 environment, several meetings would take place every day across the Council that incur additional costs if refreshments are also provided. Due to COVID restrictions, many face-to-face meetings were changed (due to the need to keep staff safe) with online platforms proving a suitable alternative, Microsoft Teams for example. It is suggested that the continuation of these virtual meetings would be an opportunity for change on a more permanent basis where appropriate and as such, the Liberal Democrats propose to reduce the mainstream budgets for refreshments by 10% for 2021/22 with a further 10% reduction in 2022/23.
- 4.7 This would provide a saving of £0.008m over two financial years but would still leave enough budget flexibility to provide refreshments where appropriate assuming, some form of meetings are held in the office in 2021/22 as the impact of the vaccine roll-out allows a return to more office working.

OPP-BR1-204 - Council wide review of income generation targets (£0.100m)

- 4.8 The Liberal Democrats have previously suggested an increase in the income generation target with regard to Section 38 and Section 278 inspections within the Highways service. This is as a result of the service consistently overachieving on the existing income target.
- 4.9 Although the Covid-19 pandemic has caused previously reliable revenue streams to be interrupted, there are other areas which are still underspending (including the area detailed above), as highlighted by the M08 Revenue Monitor recently published.
- 4.10 For 2021/22 it is proposed that a full review of income targets across the Council is undertaken to identify other areas in addition to that stated above where income targets are overachieved. The Liberal Democrat believe that this would reasonably generate circa

£0.200m. However, given that this is a far-reaching proposal the saving is phased over 2 financial years with £0.100m identified for 2021/22 and a further £0.100m for 2022/23.

- 4.11 Income streams are subject to fluctuation based on demand, ability to supply and other economic activity. If the increased income targets are not achieved there would need to be a reduction in the scale of revenue investment identified elsewhere in this report, for example the 20 is Plenty fund established at paragraph 3.23.

OPP-BR1-205 - Reduction in mileage budgets to reflect change in work practices (£0.050m)

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

OPP-BR1-206 - Review of car allowances as previously promised to reduce the amount paid as a lump sum to staff doing zero or minimal mileage (£0.037m)

- 4.13 A lump sum car allowance of £500 is paid annually to essential car users. The Council paid car allowances totalling £0.316m in 2019/20, with 646 staff members in posts which attract car allowances in the period April – December 2020.
- 4.14 Analysis of the data shows that in the period April 2020 to December 2020, 289 (45%) of those individuals in roles with the Essential Car Allowance have recorded/claimed zero miles. For the same period 83 (13%) recorded/claimed for 1 to 100 miles and 274 (42%) recorded/claimed for 101 and above miles.
- 4.15 The Liberal Democrats believe that a review of the posts which attract essential car user status should be undertaken with the intention of removing the lump sum payment from posts where users routinely record zero, or very few miles. Removal of the allowance from 100 employees would result in a £0.050m saving. Due to the consultation requirements only a part year saving of £0.037m would be generated in 2021/22 with full year effect being applied in 2022/23.
- 4.16 It is disappointing to see that, despite this Select Committee recommending at its meeting of 5 February 2019 and Council accepting this recommendation at the Budget meeting of 27 February 2019 and the same proposal being recommended by PVFM to Cabinet at its meeting on 4 February 2020, that consideration of car allowances should be undertaken as part of a wider review of the Council's reward and recognition package, no progress has yet been made.

OPP-BR1-207 - Reduction in the subsidisation of Trades Union facilities time (£0.035m)

- 4.17 The Liberal Democrats are proposing to reduce the Trades Union subsidy provided by the Council following a consistent reduction in Trades Union membership as evidenced by decreasing numbers of staff opting to pay membership through payroll. This would result in a reduction of approximately 50% to the base budget resulting in a total saving £0.069m which, due to the consultation required, would be achieved over 2 financial years resulting in a £0.035m saving in 2021/22 and a further £0.034m in 2022/23. In addition, the Liberal Democrats have conducted a review of the subsidies provided to Trades Unions by neighbouring Greater Manchester (GM) Councils. Following this review, it is felt that the reduction proposed here would bring Oldham Council's contributions more in line with other Councils in the area such as Tameside Borough Council. This would have a staffing impact of a reduction of 1.65 Full Time Equivalent (FTE) posts.

OPP-BR1-208 - Reduction in the General Training Budget (£0.150m)

- 4.18 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 2021/22 on an ongoing basis.

OPP-BR1-209 - Reconsideration of Council priorities with regards to the Communications and Research Service (£0.250m)

- 4.19 Whilst the Administration has reviewed the Communications and Research service as part of its Design and Assurance work completed in previous years, the Liberal Democrats feel that there is further scope in this area to reduce spend on this non statutory service and re-prioritise this to other areas. A Freedom of Information (FOI) request completed in December 2020 shows expenditure for external public relations support at £0.088m for 2019/20 and despite the interruptions caused by the Covid-19 pandemic, £0.036m for the year to date 2020/21. The FOI also predicted an increase of £0.134m (15%) in the wage bill, directly related to public relations staff, between 2019/20 and 2020/21.
- 4.20 As such, the Liberal Democrats propose to redesign the Communications and Research team generating a total budget reduction of £0.250m in 2021/22. This will enable the reprioritisation of funding towards front line services. This reduction would be generated by halting production of the Borough Life magazine and disestablishing 1.18 FTE and making a further 4 posts redundant. 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.

OPP-BR1-210 – Reduction in the scale of the Capital Programme (no pro forma) (£0.133m in 2022/23)

- 4.21 The Administration's capital programme currently includes a number of projects which are funded through prudential borrowing. Financing projects in this way has a direct impact of revenue budgets as they are required to fund the external interest costs and also place aside a sum annually for the repayment of the amount borrowed (the minimum revenue provision) (MRP).
- 4.22 The Liberal Democrats believe that the Capital schemes which are funded in this way should be reviewed and only those which are considered a priority should go ahead. For example, the 'Creating a Better Place' agenda has amassed a large number of schemes the majority of which are financed through prudential borrowing. Delaying just one of these proposals by one year would result in a revenue saving of £0.133m in 2022/23. Although there is an understanding that some of the Capital projects in the proposed Strategy are linked to future revenue savings, the Liberal Democrats suggest that the scope of the larger projects should be reviewed to ensure they are all necessary.

5. Items for Future Consideration

1) Hire out office space externally

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

room space, such as the Lees and Chadderton suites, externally in order to create an income generation opportunity.

2) Increasing the Council Tax Premium on empty properties

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

3) Review of working practices following the Covid-19 Pandemic

The Liberal Democrats suggest that a review of the altered working practices brought about by the Covid-19 pandemic should be conducted during the 2021/22 financial year. As mentioned elsewhere in this report a large number of CEO's from private sector organisations are anticipating that the significantly increased levels of homeworking and emergence of online meetings will result in cost savings and efficiencies. It is likely that this pattern will also transpire within the Council. The new workings practices should be embedded within the Councils culture and the savings quantified and included within future revenue budgets.

4) Local Spending

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

We have called for an increase in Council local spending from the 52% reported in the 2019/20 financial year to at least 60% and for efforts to be made to encourage local residents to apply for Council jobs especially those at entry level.

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

5) The Remediation of Brownfield Land

The Liberal Democrats believe that the administration should be prepared to repurpose a further significant sum from the capital programme to pay for the remediation of brownfield land sites for housing development, if either no money, or an insufficient sum, is made available to the authority from the Greater Manchester Brownfield Fund.

6. Review of the Liberal Democrats Budget at PVFM on 9 February 2021.

- 6.1 The meeting of the PVFM Select Committee on 9 February 2021 which considered the Liberal Democrats Budget Amendment proposals concluded that none of the proposed saving proposals identified by the Liberal Democrat Opposition Budget be recommended to Council. There was a recognition that the proposal in relation to savings from a review of car allowances should have been progressed pre-Covid. The Liberal Democrats would contend all the savings proposals are valid and that the consequent investment proposals could

therefore be supported. The Liberal Democrats recommend Council agrees the proposals set out in this report.

Summary

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

7. Director of Finance Comments

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

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

8. Options/Alternatives

8.1 With regard to the consideration of the Liberal Democrat's alternative Capital Programme for 2021/22 to 2025/26, revenue investment proposals and revenue savings proposals for 2021/22 and 2025/26, the options available to Council are to:

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

9. Preferred Option

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

10. Consultation

10.1 Service Managers have been involved in compiling the proposals and the proposals have been agreed within the content of the business cases attached at Appendix B. The presentation of the Liberal Democrats Budget Amendment proposals to the PVFM Select Committee on 9 February 2021 was an important element of the budget consultation process.

11. Financial Implications

11.1 The financial implications are included within the report.

12. Legal Services Comments

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

13. Co-operative Agenda

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

14. Human Resources Comments

14.1 The Opposition proposals are noted.

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

15. Risk Assessments

15.1 The risks of deliverability have been considered and are thought to be minimal at this stage.

16. IT Implications

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

17. Property Implications

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

18. Procurement Implications

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

19. Environmental and Health & Safety Implications

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

20. Equality, community cohesion and crime implications

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

21. Equality Impact Assessment Completed

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

22. Key Decision

22.1 No.

23. Key Decision Reference

23.1 Not a Key Decision.

24. Background Papers

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

File Ref: Background papers are contained in Appendices A and B
Officer Name: Mark Stenson
Contact No: 0161 770 4783

25. Appendices

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