

Report to Council

Conservative Budget Amendment Proposals 2022/23

Portfolio Holder: Councillor D. Arnott

Officer Contact: Lee Walsh, Finance Manager
Ext. 6608

02 March 2022

Reason for Decision

The report presents to Council the Conservative Group suggested amendments to the Administration's Budget proposals for 2022/23.

Executive Summary

The report presents to Council a number of 2022/23 budget amendments in addition to those proposals already presented by the Administration.

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

These proposed amendments to the Administration's 2022/23 budget proposals together with further investment in fly tipping enforcement will be financed from additional savings totalling £0.892m in 2022/23 which can be considered individually or collectively. It is also proposed that there is a partial reversal of the Administration's Development Fund proposals which will save £0.500m per annum. Finally, there will also be an additional contribution from reserves of £0.986m in 2022/23 (and £0.032m in 2023/24) to support these proposals. Details of the proposals can be found in Section 3 and in summary at Appendix One. Business cases for the individual budget reductions can be found at Appendix Two.

At the Policy Overview and Scrutiny Committee meeting held on 8 February 2022, the Conservatives presented their Budget Amendment proposals for discussion and recommendation as an Alternative Budget. The Scrutiny Committee referred the Conservative Budget Amendment to Cabinet for consideration. At its meeting on 14 February 2022, Cabinet considered the draft minutes of the Committee but did not accept the proposals contained in the Conservative Budget Amendment.

The Conservative Opposition is 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:

1. The proposal to implement no general increase in Council Tax, freeze the price of school meals until September 2023 and invest an additional £0.300m in fly tipping enforcement is approved.
2. The Administration's proposal to spend an additional £0.300m per annum on District Partnership Working and £0.200m per annum on Customer Engagement is reversed; saving a total of £0.500m per annum.
3. The savings proposals totalling £0.892m for 2022/23 set out at paragraphs 3.7 to 3.16 in the report together with a further contribution from reserves of £0.986m are approved.

Conservative Group Budget Amendment Proposals 2022/23**1. Background**

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

2. Current Position

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

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

3. 2022/23 Proposals

- 3.1 The Conservatives propose a range of specific budget amendments to be considered this year. These are split into the following areas:
- Helping residents with cost of living pressures
 - Additional Investment
 - Development Fund Initiatives
 - Budget Reduction proposals

Helping Residents with Cost of Living Pressures

- 3.2 The Conservatives proposal to implement no increase in Council Tax for General Purposes will reduce Council Tax revenue by £1.969m per annum from 2022/23. Whilst this means it is necessary to identify additional savings proposals to offset these revenue losses, the Conservatives believe the need to help local residents with cost of living pressures should be the overriding priority.
- 3.3 Similarly, the proposal to postpone the proposed 10p increase in school meals prices by 12 months to September 2023 will reduce fees and charges income by £0.109m per annum from 2022/23 and a further £0.045m per annum from 2023/24. Again, the Conservatives believe this is necessary to help hard-working families deal with cost of living pressures.

Additional Investment

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

Development Fund Initiatives

- 3.5 To help finance the proposals set out at paragraphs 3.2 to 3.4, the Conservatives recommend the reversal of two Development Fund investment initiatives proposed by the Administration which will reduce expenditure by a total of £0.500m per annum:
- District Partnership Working (£0.300m per annum)
 - Improved Customer Engagement (£0.200m per annum)
- 3.6 Whilst the Conservatives recognise the importance of district partnership working and providing residents with appropriate access to services, we believe it would be more cost-effective to see how the existing Creating a Better Place Strategy, further investment in digital technology and Place-Based working impact on these service areas prior to committing to additional growth in revenue budgets over and above the resources these service areas already receive.

Budget Reduction Proposals

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

OPP-BR1-301 - Inclusion of an Additional Vacancy Management factor within the budget estimates to achieve greater efficiency including limiting the present use of agency staff and consultants (£0.550m)

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

OPP-BR1-302 - Reduction in the amount of stationery purchased across the authority (£0.010m)

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

OPP-BR1-303 - Reduction in car allowances and mileage budgets to reflect changes in work practices (£0.087m)

- 3.12 The Conservatives propose to reduce mileage budgets by £0.050m on a pro rata basis across the Council (excluding adult social care and children's social care). With the increase in Council employees working from home and the increase of Teams based meetings, the requirement to travel using a personal vehicle has reduced, which in turn should result in a saving for the Council.
- 3.13 With regard to staff classified as 'essential car users', a lump sum allowance of £500 is paid annually to this group of employees. Analysis undertaken previously indicates there are a number of employees who are claiming little or no mileage despite their role being designated that of an essential car user. The Conservatives believe that a review of the posts which attract essential car user status should be undertaken with the intention of removing the lump sum payment from posts where users routinely record zero, or very few miles. This will provide a saving of £0.037m in 2022/23 and a further £0.013m in 2023/24.
- 3.14 The review of car allowances and mileage budgets would result in a £0.087m saving. Due to staff consultation requirements only a part year saving is reflected for 2022/23. A further saving of £0.013m should be achievable for 2023/24.

OPP-BR1-304 - Reconsideration of Council priorities with regards to the Communications and Research Service (£0.245m)

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

4. Summary of Proposals

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

5. Items for Future Consideration

1) Advertising on Council Roundabouts, Car Parks and Verges

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

2) Review of Member Allowances

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

6. Review of the 2022/23 Conservative Budget Amendment

- 6.1 At the meeting of the Policy Overview and Scrutiny Committee on 8 February 2022, which considered the Conservative Budget Amendment proposals, it was agreed that the report and therefore all the investment and budget reduction proposals within it be referred to Cabinet for consideration. At its meeting on 14 February 2022 Cabinet considered the draft minutes of the Committee and consequently the Conservative proposals, but did not accept the Conservative Budget Amendment.

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. The use of additional reserves to balance the budget is possible but it increases the budget challenge for 2023/24.

(Anne Ryans)

8. Options/Alternatives

8.1 With regard to the proposals set out in this report, 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 Directors and Heads of Service have been involved in compiling the proposals set out in this report and the proposals have been agreed within the content of the business cases attached in Appendix B. The presentation of the Conservative Budget Amendment proposals to the Policy Overview and Scrutiny Committee on 8 February 2022 was the first stage of the budget consultation process. The Scrutiny Committee referred the Conservative Budget Amendment to Cabinet for consideration. At its meeting on 14 February 2022, Cabinet considered the draft minutes of the Committee but did not accept the proposals contained in the Conservative Budget Amendment.

11. Financial Implications

11.1 The financial implications are included within the report.

12. Legal Services Comments

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

13. Co-operative Agenda

13.1 The proposals included within this report 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 proposals included within this report are noted.

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

15. Risk Assessments

- 15.1 The risks of deliverability have been considered and as it is an alternative set of budget proposals the opportunity for testing the risks associated with the proposals are more limited and as advised above, it is therefore necessary to afford a level of caution in presenting these alternatives.
- 15.2 In addition, whilst the budget is already being balanced by the use of one-off measures, increasing this still further increases the Councils financial challenge.

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

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 One and Two
Officer Name: Lee Walsh, Finance Manager

25. Appendices

- 25.1 Appendix One: Summary of Amendments to the Administration's Revenue Budget Proposals.
- 25.2 Appendix Two: Business Cases for Conservative Budget Reduction Proposals

Conservative Group

Summary of Amendments to the Administration's Revenue Budget Proposals

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

| | | |
|---|----------------|-------------|
| <u>Measures to Balance the Budget</u> | | |
| <u>Reversal of Administration Development Fund Proposals</u> | | |
| District Partnership Working | (300) | |
| Improved Customer Engagement | (200) | |
| | (500) | 0 |
| <u>Budget Reduction Proposals</u> | | |
| OPP-BR1-301 - Additional Vacancy Management Factor | (550) | |
| OPP-BR1-302 - Stationery Budgets | (10) | |
| OPP-BR1-303 - Car Allowances and Mileage Budgets | (87) | (13) |
| OPP-BR1-304 - Marketing and Communications | (245) | |
| | (892) | (13) |
| Contribution from reserves required to maintain a balanced revenue budget position | (986) | (32) |
| Total Measures to Balance the Budget | (2,378) | (45) |

Appendix Two

**Business Cases for
Conservative Budget
Reduction Proposals**

**Budget
reductions**

BR1 - Section A

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

Budget Reduction Proposal - Detail and Objectives:

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

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

| 2021/22 Service Budget and Establishment | £000 |
|--|---------------|
| Employees | 73,301 |
| Other Operational Expenses | 0 |
| Income | 0 |
| Total | 73,301 |

| | |
|--------------------------------------|---|
| Current Forecast (under) / overspend | 0 |
|--------------------------------------|---|

| | |
|--|---|
| Number of posts (Full time equivalent) | 0 |
|--|---|

| | 2022/23 | 2023/24 | 2024/25 |
|------------------------------------|---------|---------|---------|
| Proposed Budget Reduction (£000) | (550) | 0 | 0 |
| Proposed Staffing Reductions (FTE) | 0 | 0 | 0 |

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

Section B

What impact does the proposal have on the following?

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

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements

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

Section C

Key Risks and Mitigations

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

Key Development and Delivery Milestones

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

Section D

| | |
|-------------------------------|-----------|
| Consultation required? | No |
|-------------------------------|-----------|

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

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| Signed RO | 09/02/2022 |
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| Signed Finance | 09/02/2022 |
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BR1 - Section A

| | |
|--------------------------------|---|
| Service Area: | Corporate |
| Budget Reduction Title: | Reduction in the amount of stationery purchased across the authority |

Budget Reduction Proposal - Detail and Objectives:

The purchase of stationery prior to the COVID-19 pandemic was completed using the Agresso financial system. This ensures that suppliers used are those where contracts have been agreed by the strategic sourcing team. However, rather than stationery being ordered centrally, it was on occasion ordered by individual teams on an ad hoc basis which did not always ensure best value for money through economies of scale.

Previous proposals for savings around centralising the system have been superseded by the pandemic. This has resulted in substantial home working reducing the requirement for stationery purchased across the authority.

It is appreciated that this would take some time for the full impact of homeworking on future requirements to purchase stationery to be assessed and therefore, the Conservative Party propose that for 2022/23, each mainstream stationery budget is reduced by 25%. This would enable teams to begin to look at their stationery needs more effectively and allow the Council to devise, communicate and implement a new way of working upon staff returning to office-based working.

| 2021/22 Service Budget and Establishment | £000 |
|---|-------------|
| Employees | N/A |
| Other Operational Expenses | 38 |
| Income | N/A |
| Total | 38 |

| | |
|---|----------|
| Current Forecast (under) / overspend | 0 |
|---|----------|

| | |
|---|------------|
| Number of posts (Full time equivalent) | N/A |
|---|------------|

| | 2021/22 | 2022/23 | 2023/24 |
|---|----------------|----------------|----------------|
| Proposed Budget Reduction (£000) | (10) | 0 | 0 |
| Proposed Staffing Reductions (FTE) | 0 | 0 | 0 |

| | |
|--|----------------|
| Is your proposal a 'one-off' in 2021/22 or is it ongoing? | Ongoing |
|--|----------------|

Section B

What impact does the proposal have on the following?

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|--|
| Property |
| None. |
| Service Delivery |
| None. |
| Future expected outcomes |
| Staff work using the ICT provided reducing the requirement for future Stationery. |
| Organisation |
| Staff continue to work at home at least part of the time. |
| Workforce |
| There is the potential that the workforce would evaluate whether items were needed if they were required to arrange a pick-up at the office. |
| Communities / Service Users |
| None. |
| Oldham Cares |
| None. |
| Partner Organisations |
| None. |

Who are the key stakeholders?

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

Benefits to the organisation/staff/customers including performance improvements

Financial savings would be achieved by less stationery required due to increased online working.

Section C

Key Risks and Mitigations

| Risk | Mitigation |
|--|---|
| Services continue to purchase stationery at the same level as before home working. | Staff continue to minimise work in the office therefore reducing Stationery ordered. |
| Certain processes continue to require stationery to support them. | The new way of working would be discussed throughout 2022/23 to ensure that stationery ordered does not increase burden on any one service. |
| N/A | N/A |

Key Development and Delivery Milestones

| Milestone | Timeline |
|---|-------------------------|
| Proposal presented to the Policy Overview and Scrutiny Committee. | 8 February 2022 |
| Implementation of 25% reduction of 2022/23 mainstream stationery budgets. | 1 April 2022 |
| New way of working for centralised stationery identified and approved. | April 2022 – March 2023 |
| Implementation of new centralised stationery way of working. | April 2023 |

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 |
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| The approval of this budget reduction proposal would reduce mainstream stationery budgets by £0.010m in 2022/23. Budgets for stationery are held across the Council and therefore this would be a cross cutting saving. |

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| Signed RO | 09/02/2022 |
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| Signed Finance | 09/02/2022 |
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BR1 - Section A

| | |
|-------------------------|--|
| Service Area: | Corporate |
| Budget Reduction Title: | Reduction in car allowances and mileage budgets to reflect changes in work practices |

Budget Reduction Proposal - Detail and Objectives:

This proposal has two elements as set out below

a) Removal of Essential Car Allowances from 100 staff to save £0.050m

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

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

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

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

The Conservative Party have proposed a saving 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 2022/23 with an additional saving of £0.013m in 2023/24.

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

b) Reduction in the Car Mileage Budget of £0.050m over two financial years

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

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

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

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

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

| 2021/22 Service Budget and Establishment | £000 |
|---|-------------|
| Employees | N/A |
| Other Operational Expenses | 539 |
| Income | N/A |
| Total | 539 |

| | |
|---|--------------|
| Current Forecast (under) / overspend | (113) |
|---|--------------|

| | |
|---|-----|
| Number of posts (Full time equivalent) | N/A |
|---|-----|

| | 2022/23 | 2023/24 | 2024/25 |
|---|----------------|----------------|----------------|
| Proposed Budget Reduction (£000) | (87) | (13) | 0 |
| Proposed Staffing Reductions (FTE) | 0 | 0 | 0 |

| | |
|--|---------|
| Is your proposal a 'one-off' in 2022/23 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. Removal of Essential user status would lead to a reduction in the Property Team budget. |
| Service Delivery |
| In connection to Car Allowances - Employees may refuse to use their own vehicles to complete their duties which may result in service delay, especially in the areas of social care. The removal of allowances in certain areas could have a detrimental impact on recruitment and retention, for example Social Workers where recruitment is already difficult. Council staff may have to consider alternative forms of transport if required to travel for work requirements. |
| Future expected outcomes |
| There is a potential to increase travel costs associated with other methods e.g. taxi, public transport with the reduction in car allowances. Budgets would be amended to reflect the decreasing demand for mileage claims. |
| Organisation |
| None. |

| |
|--|
| Workforce |
| Certain individuals will have Car Allowance removed. Car parking costs would also increase for those individuals who are reclassified from Essential Users. The contractual change may not be accepted by the individual resulting in their dismissal and re-engagement. |
| There is the potential that the workforce would evaluate whether travel is necessary or whether meetings could take place via Microsoft Teams. |
| Communities / Service Users |
| With a reduction in car allowances there may be a potential for delays in receiving support in certain areas, e.g. social care. |
| Oldham Cares |
| None. |
| Partner Organisations |
| The alignment of practice within Team Oldham organisations should be considered as part of the exercise. |

Who are the key stakeholders?

| | |
|--|------------|
| Staff | Yes |
| Elected Members | No |
| Residents | No |
| Local business community | No |
| Schools | No |
| Trade Unions | Yes |
| External partners (if yes please specify below) | No |
| N/A | |
| Other Council departments (if yes please specify below) | Yes |
| All Council departments | |
| Other (if yes please specify below) | No |
| N/A | |
| Benefits to the organisation/staff/customers including performance improvements | |
| Budgets would be reduced to reflect the decrease in mileage claims and achieve a budget reduction. | |

Section C

Key Risks and Mitigations – Car Allowances

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

Key Risks and Mitigations – Car Mileage

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

Key Development and Delivery Milestones – Car Allowances

| Milestone | Timeline |
|---|-------------------------|
| Proposal presented to the Policy Overview and Scrutiny Committee. | 8 February 2022 |
| Communicate to all staff the requirement to claim mileage in a timely manner. | April – May 2022 |
| Finalise new scheme / allowances (or removal of). | June – September 2022 |
| Consult with affected employees and Trades Unions. | October – December 2022 |
| Implement new scheme. | January 2023 |

Key Development and Delivery Milestones – Car Mileage

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

Section D – Car Allowances

| | |
|------------------------|-----|
| Consultation required? | Yes |
|------------------------|-----|

| | Start | Conclusion |
|---------------|--------------|---------------|
| Staff | October 2022 | December 2022 |
| Trade Union | October 2022 | December 2022 |
| Public | N/A | N/A |
| Service Users | N/A | N/A |
| Other | N/A | N/A |

Equality Impact Screening

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

| | |
|---|----|
| Disabled people | 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 D – Car Mileage

| | |
|------------------------|----|
| 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 |
| <p>In relation to car allowances, the reduction in the number of essential users for car allowances by 100 employees could generate a saving of £0.050m (phased over 2022/23 and 2023/24). The achievement of this budget reduction will be reliant on successful negotiation with Trades Unions and the management of any consequences such as additional alternative travel arrangements.</p> <p>In relation to the car mileage proposal, it would result in a budget reduction of £0.050m across mileage budgets, excluding social care and grant funded cost centres. Budget monitoring during 2022/23 will highlight if there are any challenges to the delivery of the proposal.</p> |

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BR1 - Section A

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

Budget Reduction Proposal - Detail and Objectives:

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

As more information moves online and residents become increasingly technologically advanced the need to produce hard copy publications reduces. As such the Conservative Party propose to reduce the service budget for the Communications and Research team by £0.245m in 2022/23.

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

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

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

| | 2022/23 | 2023/24 | 2024/25 |
|------------------------------------|---------|---------|---------|
| Proposed Budget Reduction (£000) | (245) | 0 | 0 |
| Proposed Staffing Reductions (FTE) | 5.18 | 0 | 0 |

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

Section B

What impact does the proposal have on the following?

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

Who are the key stakeholders?

| | |
|--|------------|
| Staff | Yes |
| Elected Members | Yes |
| Residents | Yes |
| Local business community | Yes |
| Schools | Yes |
| Trade Unions | Yes |
| External partners (if yes please specify below) | Yes |
| All i.e. Oldham Cares | |
| Other Council departments (if yes please specify below) | Yes |
| All | |
| Other (if yes please specify below) | No |
| N/A | |
| Benefits to the organisation/staff/customers including performance improvements | |
| A budget reduction of £0.245m for 2022/23. | |

Section C

Key Risks and Mitigations

| Risk | Mitigation |
|---|--|
| The Communications and Research team will be unable to meet demand. | Priorities would have to be reviewed and activity reduced simply to support statutory services. |
| Proactive communications would be vastly reduced. | A tightly defined and agreed set of core priorities would have to be agreed across the organisation with an acceptance that many existing communications activities would cease. |
| A reduction in communication opportunities could lead to some areas delivering their own messaging. | Utilise other avenues for communication within the organisation or partners. |

Key Development and Delivery Milestones

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

Section D

| | |
|------------------------|-----|
| Consultation required? | Yes |
|------------------------|-----|

| | Start | Conclusion |
|---------------|---------------|------------|
| Staff | February 2022 | March 2022 |
| Trade Union | February 2022 | March 2022 |
| Public | N/A | N/A |
| Service Users | N/A | N/A |
| Other | N/A | N/A |

Equality Impact Screening

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

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

Section E

| |
|--|
| Finance comments |
| This option would result in a reduction of 5.18 FTE posts within the Communications and Research service and the cessation of the Oldham Council: Working For You publication, which would generate a saving of £0.245m in a full financial year. The proposal may incur redundancy costs which would be funded centrally. |

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| Signed RO | 09/02/2022 |
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