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**Report to Governance, Strategy and Resources Scrutiny Board**

# **Liberal Democrats Budget Amendment Proposals 2025/26**

**Portfolio Holder:** Deputy Leader of the Liberal Democrats and Shadow Cabinet Member for Value for Money and Sustainability, Liberal Democrat Group, Councillor Sam Al-Hamdani

**Officer Contact:** Lee Walsh, Assistant Director of Finance

**06 February 2025**

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## **Reason for Decision**

The report presents to the Governance, Strategy and Resources Scrutiny Board the Liberal Democrats suggested amendments to the Administration's Budget proposals for 2025/26 and offers some forward-looking proposals to achieve savings in future years.

## **Executive Summary**

The report presents to the Board a number of 2025/26 budget amendments in addition to those proposals already presented by the Administration to this Board at its meeting on 29 January 2025.

This report identifies additional savings totalling £0.645m in 2025/26 and a further £0.340m in 2026/27. There are a range of investments that will be funded from the savings proposals put forward to offset the increased expenditure. It also proposes significant changes to the Capital Programme intended to deliver medium-term revenue savings, and a platform to increase revenue savings further in the future. Details of the proposals can be found in Sections 3 and 4 and in summary at Appendix A. Business Cases for the individual budget reductions can be found at Appendix B.

## **Recommendations**

That the Governance, Strategy and Resources Scrutiny Board considers and recommends that:

1. The Investment and Savings proposals for 2025/26 as summarised at Appendix A are commended to Cabinet.
2. The amendments to the Administration's proposed Capital Programme are implemented as set out in this report.

**Liberal Democrats Budget Amendment Proposals 2025/26**

**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 than ever to deliver a balanced budget. The LGA peer review for the Council has made it clear that there should be no circumstances in which the Council continues to set a budget which is financed through use of reserves.
- 1.3 In addition to this, both the Government – and the former Government – have made it clear that Councils are expected to maximise their budget income through the full use of their powers to increase Council Tax and the Social Care precept. This has been added to by the Government's position that should the Council not increase these by the full amount, then this will be taken into consideration negatively in future funding settlements.
- 1.4 With Oldham Council's reserves effectively expended through successive years of overspending – in particular on the demand-led services of Children's Social Care, Adult Social Care and homelessness – this leaves little option for manoeuvre on many of the spending decisions made.
- 1.5 Nevertheless, the Liberal Democrats budget amendment challenges key decisions set out by the Administration, identifies other areas for revenue savings and proposes 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.
- 1.6 In particular, the Liberal Democrats budget amendments are designed to address one of the most critical aspects of the recent overspending – homelessness, and create a platform to transfer future revenue savings into youth services and addressing antisocial behaviour. In particular, our additional focus on youth services is designed to have a positive impact on early intervention, improving safeguarding outcomes, and in the longer-term to start bringing down the pressures on those critical areas of child and adult social care and homelessness.
- 1.7 In producing these budget amendments, the Liberal Democrats offer common-sense practical solutions to the borough's problems and challenge the Administration to cut waste, get the basics right for residents and provide the value-for-money local services the public want. Throughout this document there is a focus on targeting resources to make the borough safer, greener and cleaner whilst providing support for the most vulnerable members of our community during this cost of living crisis.
- 1.8 In preparing the Opposition Budget, the Liberal Democrats would like the Board, once again, to note the significantly reduced timescales afforded to the Party. With effectively seven working days being made available, this is in our opinion insufficient time to construct a meaningful and robust proposal with the right amount of due diligence applied.
- 1.9 This impacts significantly on the level of scrutiny available for the Council's own budget proposals. It should be noted that the report on the Council's budget proposals was published on the 21 January, and the public consultation on the budget did not start until 23 January and is to finish six days after the Council's scrutiny committee has conducted its assessment of the Administration's budget proposals. The Liberal Democrats believe that this is

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consultation in name only – and that there is no opportunity for any suggestions from the budget consultation to be included into the Administration’s budget. The Administration have created a situation where neither opposition – or indeed Administration – councillors nor the public can effectively scrutinise or improve proposals. This is not acceptable.

## **2. Current Position**

- 2.1 The context of the whole budget setting process continues to be extremely challenging. Local government funding has been significantly cut since 2010, and this has been compounded by a failure to deal with the extremely challenging, but unaddressed issue of social care funding. A further three-year review of how to deal with social care funding means that this issue will now not be addressed until 2028, leaving Councils in limbo and facing a huge challenge to put together effective budgets for local residents until the Government addresses this funding challenge properly. This will be compounded by the impact of National Insurance rises on social care providers, which will have to be met by local government.
- 2.2 Macro- and micro-economic factors continue to have an extremely significant impact, and the failure to deliver any effective trading arrangements with our largest trading partner, the EU, is compounded by the ongoing impacts of the invasion of Ukraine by Russia.
- 2.3 Considering these factors and existing budget constraints, the Administration has presented a series of savings proposals as part of the 2025/26 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 reluctantly accept that the majority of the proposals for 2025/26 cannot be avoided, particularly when considering the decision of the Government to postpone a decision on a national solution to the funding of social care for another three years. In doing so the Liberal Democrats recognise the future savings required to reduce the continued reliance on reserves as set out in the Medium-Term Financial Strategy are a challenge. Each year the Council continues to use reserves to balance the budget – which is currently the only approach recommended by the Ministry of Housing, Communities and Local Government – has a compounded negative effect in future years. Attempting to end the overspending of recent years and build a more resilient financial basis for the Council is the right approach – the success of it will be measured by how effectively the Council manages to end successive years of multi-million overspends covered by reserves.
- 2.4 The proposal by the Administration to increase Oldham Council’s element of Council Tax for general purposes by 2.99% for 2025/26 as well as a 2% increase for the Adult Social Care Precept; 4.99% in total, the maximum permissible increase without requiring a Council Tax referendum is reluctantly accepted by the Liberal Democrats. Without doubt, a 4.99% Council Tax increase will be challenging for the residents of the Borough, particularly those already suffering hardship. The Liberal Democrats do however recognise that the spending power of the Council in terms of Central Government support for Local Authorities is predicated on Councils levying the maximum permissible increase, in this way, an increase that is anything lower than the currently proposed 4.99% will seriously restrict the Council in its ability to support and provide the necessary services to the Residents of the Borough, in particular the provision of non-statutory services that provide direct support to the most vulnerable citizens; potentially including but not limited to; cost of living initiatives, the provision of welfare rights, support and inclusion services as well as community and outreach services.
- 2.5 Despite the position we find ourselves in we must continue to strive for improvements in the borough. More than ever the decisions we make now will have a direct impact on future generations; therefore, collectively, we want to ensure that the correct priorities are at the forefront of decision-making processes.
- 2.6 The Liberal Democrats recognise that these priorities will not be achieved in the short term, therefore there is a real focus on including both revenue and capital investment proposals

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that tackle the issues within these budget amendment proposals. The proposals we have identified are also set against a background of ensuring the best interests of the Borough are supported through every day decision making at the Council, for example the Liberal Democrats believe that the Council should use its spending power to support the local economy by, where possible, spending locally.

### **3. 2025/26 Proposals**

3.1 The Liberal Democrats propose a range of specific budget amendments to be considered this year. These are split into:

- an amendment to the Capital Programme for 2025–28;
- investment proposals which would achieve significant benefits within the borough; and
- 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.

#### **Liberal Democrat Alternative Capital Programme 2025/26 to 2029/30**

3.2 The Liberal Democrats are proposing an adjustment to the Council's Capital Programme by directing capital resources to be allocated, prioritised and used to increase capacity in Temporary Accommodation which will reduce the need for the Council to require the current number of expensive Hotel and B&B provisions. This adjustment is the purchase of sites/properties or the refurbishment or adaption of the Council's surplus assets to increase provision and create revenue savings within temporary accommodation. The proposal will be utilising capital investment to create revenue savings which the Liberal Democrats see as a main priority for the Capital Strategy. Given the nature of capital works any future revenue savings associated with Temporary Accommodation are unlikely to benefit the financial year 2025/26 but will impact future years which could potential be from 2026/27. However, given the recent trend in temporary accommodation the Liberal Democrats see this as essential and urgently required to reduce expenditure in this area, and more importantly help those residents of the borough effected by this national housing crisis.

3.3 The number of individuals and families in Temporary Accommodation during 2024/25 has continued to follow the trajectory of recent years. The numbers in temporary accommodation as reported at month 3, June 2024 was 652. The latest information is that as at December 2024, the number in temporary accommodation was 727. This increase is highlighted in the forecast adverse position current expected to be £5.823m by 31 March 2025. This adverse budgetary position is as a direct result of the placement cost in hotels, B&B's and other temporary accommodation to house the increased demand.

3.4 The proposal is to re-prioritise existing resources held within the Capital Strategy 2025/26 to 2029/30 to accelerate the purchase of sites/properties or the refurbishment or adaption of the Council's surplus assets to increase capacity in Temporary Accommodation and to reduce the reliance on hotels and B&B's which will reduce placement costs on hotels, B&B's and other temporary accommodation. The proposal would look at larger units to ensure that maximised savings can be achieved through economies of scale.

#### **Summary of Capital Investment Proposals**

3.5 The £3.000m capital investment in Council owned Temporary Accommodation will be financed by redeploying £1.000m of the Fund for Emerging Priorities included in the report 'Capital Strategy and Capital Programme 2025/26 to 2029/30' considered by the Board on 29 January 2025, a re-allocation of existing resources from the Social Care- General Provision of £0.700m in 2025/26. It must be noted that there will still be £6.900m available for Social Care over the life of the Capital Strategy. The proposal includes an acceleration of

£0.300m from the Corporate Property - Major Repair Works moving resource and financing from 2026/27 to 2025/26. The remaining £1.000m would be a re-allocation from the Flexible Housing Fund and accelerating resources and financing from 2027/28 to 2025/26. The remaining Flexible Housing Fund, currently forecast to be spent over the latter years of the Strategy would be £1.267m. The table below summarises the Liberal Democrats Alternative Capital Programme and the call on the Fund for Emerging Priorities.

**Table 1 - Liberal Democrats Alternative Capital Programme 2025/26 to 2027/28**

Capital Proposals	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
<b>Resources - Re-Allocation</b>				
Social Care - General Provision	(700)			(700)
Corporate Property - Major Repair Works		(300)		(300)
Flexible Housing Fund			(1,000)	(1,000)
Fund for Emerging Priorities	(1,000)			(1,000)
Temporary accommodation increase in Internal Provision	3,000			3,000
<b>Total Resources Movement</b>	<b>1,300</b>	<b>(300)</b>	<b>(1,000)</b>	<b>0</b>
<b>Movement in Funding</b>				
Fund for Emerging Priorities - Capital Strategy 2025/26 to 2029/30	(3,000)	(2,885)	(2,000)	(7,885)
<b>Total Funding</b>	<b>(3,000)</b>	<b>(2,885)</b>	<b>(2,000)</b>	<b>(7,885)</b>
<b>Proposals</b>				
Internal Provision in Temporary Accommodation	1,000			<b>1,000</b>
<b>Balance of Fund for Emerging Priorities</b>	<b>(2,000)</b>	<b>(2,885)</b>	<b>(2,000)</b>	<b>(6,885)</b>

3.6 The proposed expenditure leaves a total of £6.885m remaining within the Fund. The movement and acceleration of financing will have a revenue impact in the form of capital financing costs incurred ahead of current forecasts as can be seen in table 2 below. It is proposed that these reprofiled costs can be met from within OPP-BR1-206 – Additional Vacancy Management Factor budget reduction proposal detailed in paragraph 4.9. This would mitigate the impact on the revenue budget in 2025/26 and therefore reduce the Minimum Revenue Provision (MRP) and interest costs in 2026/27 and 2027/28 to produce an overall revenue saving across the life of the Capital Strategy.

**Table 2 - Revenue impact of movement in financing on the Liberal Democrats Alternative Capital Programme 2025/26 to 2027/28**

Capital Proposals - Revenue Costs of Financing movement	2025/26 £000	2026/27 £000	2027/28 £000
Corporate Property - Major Repair Works	19	(19)	
Flexible Housing Fund	63		(63)
<b>Total movement in financing costs</b>	<b>82</b>	<b>(19)</b>	<b>(63)</b>

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## **The Liberal Democrat Alternative Revenue Budget 2025/26 to 2026/27**

### **Investment Proposals**

- 3.7 The Liberal Democrats are proposing a range of additional budget reduction proposals for 2025/26 which will make £0.645m available for investment with a further £0.340m in 2026/27 as detailed in Section 4. The resource will be used to invest in a range of proposals aimed at improving the lives of residents within the borough. Details of the individual investment proposals are provided below.

#### **Youth Services (£0.150m in 2025/26 and an additional £0.075m in 2026/27)**

- 3.8 Investment in youth services is a Liberal Democrat priority. The proposal is to increase the revenue budget for the Youth Service by £0.150m in 2025/26, with a further investment of £0.075m for 2026/27. This will be used for enhanced delivery of the District and Detached Youth work offer including venue costs, activity costs and resources to support the increased youth work provision in each district of the borough and provide a quality youth work offer to young people that supports and promotes positive emotional health and wellbeing.

#### **Investment in Crime and Safety (£0.125m in 2025/26 and an additional £0.065m in 2026/27)**

- 3.9 An investment of £0.125m in 2025/26 and £0.065m in 2026/27 is proposed to support measures aimed at reducing crime and improving safety for the residents of the Borough.

#### **Highways and Pavement Repairs (£0.150m in 2025/26 and an additional £0.100m in 2026/27)**

- 3.10 A revenue fund of £0.150m in 2025/26 with a further £0.100m in 2026/27 to support work around Highways and Footway repairs across Borough.

#### **Recreational and Green Spaces (£0.140m in 2025/26 and an additional £0.100m in 2026/27)**

- 3.11 A sum of £0.140m to support and promote recreation and enhance green spaces in 2025/26, with an additional £0.100m in 2026/27.

#### **Capital Financing Costs (£0.080m in 2025/26)**

- 3.12 A sum of £0.080m to the revenue budget for capital financing costs to fund the alternative Capital programme re-scheduling of capital schemes funded by Prudential Borrowing. This would result in a neutral position on the revenue budget for 2025/26 and would create future revenue savings in 2026/27 (£0.019m) and 2027/28 (£0.063m) totalling £0.063m overall.

## **4. Liberal Democrat Alternative Budget Reduction Proposals**

- 4.1 The Liberal Democrats are proposing a range of challenging budget reduction proposals, totalling £0.985m across 2025/26 and 2026/27, 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 pro-formas provided at Appendix B.

#### **OPP-BR1-201 – Reduction in mileage budgets to reflect change in work practices (£0.020m)**

- 4.2 The Liberal Democrats propose to reduce mileage budgets by £0.020m across the Council, excluding Adult Social Care and Children's Social Care cost centres. The Liberal Democrats

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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-BR1-202 – Reduction in Trade Union Facilities Time (£0.040m in 2025/26 with an additional £0.040m in 2026/27)**

- 4.3 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 £0.080m which, due to the consultation required, would be achieved over 2 financial years resulting in a £0.040m saving in 2025/26 and a further £0.040m in 2026/27.

**OPP-BR1-203 – Review of car allowances, as previously promised, to reduce the amount paid as a lump sum to staff doing zero or minimal mileage (£0.015m in 2025/26 with an additional £0.050m in 2026/27)**

- 4.4 A lump sum car allowance of £500 is paid annually to essential car users. The Council is currently paying car allowances to 522 staff members of staff (£0.261m) compared to 532 members of staff in January 2024 (£0.266m).
- 4.5 Analysis of the data shows that in the period April 2024 to 31 January 2025, 250 (48%) of those individuals in roles with the Essential Car Allowance have recorded/ claimed zero miles (244= 46% to January 2024). For the same period 43 (8%) recorded/claimed for 1 to 100 miles (52= 10% to January 2024) and 229 (44%) recorded/claimed for 101 and above miles (236= 44% in January 2024). It should be noted that anecdotal evidence suggests that officers do not always claim mileage travelled, particularly where the value is low.
- 4.6 The Liberal Democrats believe, and the analysis above supports the view that a review of the posts which attract essential car user status should be undertaken with the intention of removing the lump sum payment from posts where users routinely record zero, or very few miles. Removal of the allowance from 100 employees would result in a total £0.065m saving. Due to the consultation requirements only a part year saving of £0.015m would be generated in 2025/26 with the full year effect being applied in 2026/27.

**OPP-BR1-204 – Reduction in the Stationery Budget (£0.010m)**

- 4.7 It is proposed that a budget reduction of £0.010m is implemented in 2025/26 in relation to the Stationery Budget in the belief that there is scope for a modest reduction in this area. Facilitated by the increase in home working and the relocation of a significant number of staff to the Spindles Office space, there is a reduced reliance on physical stationery and an increasingly 'paper-less' working environment which will be consolidated as staff fully move to the Spindles centre. The purchase of remaining requirement for 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. It is therefore suggested that the purchase of stationery could be centralised ensuring that better value for money is being achieved through increased understanding of which items are required, volumes etc.

**OPP-BR1-205 – Reduction in the General training Budget (£0.060m)**

- 4.8 The proposal is a reduction in the general training budget of £0.060m to be implemented in 2025/26. As can be seen from the Revenue Monitoring reports throughout the 2024/25 financial year the Council has significant vacant posts and following the recent VR process the number of staff has reduced further. The general training budget totals approx. £0.240m and the proposal is to reduce by 25% at £0.060m. Alternative funding for Council staff training is available through schemes associated with the Apprentice Levy and learning opportunities

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with partners such as the GMCA. These opportunities will reduce and mitigate any impact on the proposal to reduce by £0.060m.

**OPP-BR1-206 – Additional Vacancy Management Factor (£0.500m in 2025/26 and £0.250m in 2026/27)**

- 4.9 In previous years and for 2024/25, the Administration agreed to apply a vacancy factor at an identified rate 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. The proposal and given the level of posts currently vacant within the Council, is to continue this approach for 2025/26. It is proposed that a budget reduction of £0.750m is implemented across 2025/26 (£0.500m) and 2026/27 (£0.250m). The calculation is based on the Council's salary budget less previously approved vacancy saving targets and forecast essential agency spend.

**Summary**

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

**5. Items for Future Consideration**

**1) Explore shared services and staff with other GM local authorities**

A recent report on catering services for schools showed that other local authorities were able to provide the same services for schools as Oldham Council at a considerably reduced cost. This shows the potential to provide better services at lower cost both inside and outside the Council. The Council should commission a review of all potentially shared services, as well as looking at overlaps in staffing to provide either the same services for lower cost or to deliver improved services for residents from the same budget.

**2) Hire out office space externally**

With the Council offices now settled in Spindles, the Council should be in a position to make a clear assessment of their demand for and use of office space in the town centre. The Council has continued to take advantage of the increased capability for flexible working, such as working from home and virtual meetings, which means that there should be capacity for the Council to hire out its meeting room space, including the modern facilities in the newly established Spindles, longer term proposals for Henshaw House and to maximise opportunities at satellite buildings and Town Halls.

**3) Local Spending**

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

We have called for an increase in Council local spending from the initial 52% reported in the 2019/20 financial year to at least 60% and for efforts to be made to encourage local residents to apply for Council jobs especially those at entry level. It is disappointing to note that 60% has not been met. However, the position does appear to be improving throughout 2024/25 with 52.4% reported at quarter 1, 53.2% at quarter 2 and 54.2% at quarter 3 against a target of 55%. In addition, we note that the Council is looking to increase this figure with the implementation of the Social Value Portal for contracts above £0.100m and a programme of



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engagement events with local suppliers within cohorts of spend, supporting them on how to submit tenders and giving them visibility of the future pipelines of tenders coming up within their specific industry. Clearly work needs to continue to meet the stated criteria. This combined approach should yield an increase in local spend to circa 60%.

## **6. Review of Previous Liberal Democrat Budgets**

6.1 At its meeting on 8 February 2024 the Performance, Overview and Scrutiny Committee, in considering the 2024/25 Liberal Democrat Budget Reduction proposals, referred three of the Liberal Democrat revenue reduction proposals to Cabinet for consideration. Cabinet at its meeting on 12 February 2023 decided not to support the Alternative Investment Proposals. Subsequently, the Budget Amendment was moved at the Council meeting held on 28 February 2024 but lost after a recorded vote.

6.2 It should be noted that items which have previously been rejected or referred for consideration have subsequently been adopted or proposed in full or in part by the Administration, these include:

1. business cases for development of Health Centres in Shaw (now built) and Saddleworth (working group formed);
2. revenue savings from review of the communications budget;
3. development of in-house provision of residential placements for children;
4. income targets with regard to Section 38 and Section 278 inspections within the Highways service;
5. levels of expenditure within General Training budgets;
6. a variable lighting strategy in relation to street lighting;
7. increasing the Council Tax Premium on Empty properties.

6.3 A proposed/pending review of reward and recognition packages, to include essential car user allowances has still not been brought forward. Service data still suggests that in this tough financial climate this is an area which need to be considered in order to protect front line services.

6.4 Given the continued pressure within Children's Social Care, within which a major factor is the increasing cost and demand for Out of Borough Residential Placements, it is positive to note the work that has gone on in the past 12 months towards delivering eight places in the borough, although disappointing to note further delays in delivery. The Liberal Democrats note the ongoing review of the provision, taking into account assessments of the delivery process. Given continued overspending in Children's Social Care over successive years, further reduction in this pressure is essential if the Council is to avoid another year of overspending in this directorate. The remaining placements must be delivered on time, and sufficient priority put on taking this provision forward, otherwise the Council faces another year of overspending and risks an untenable use of reserves.

## **7. Director of Finance Comments**

7.1 Whilst the quantum of additional savings proposed should be achievable, given several of the proposals relate to changes to terms and conditions, from a practical perspective it is likely that there would be challenges in implementing and achieving savings from changes to car allowances and mileage. Given the recruitment challenges faced in the social care area there is a risk that the savings as articulated could have consequential recruitment impacts. With regards to the proposal to reduce the training budget, whilst further reductions may be achievable, there is a risk that not all training requirements may be supported through other funding sources such as the Apprenticeship Levy, which may necessitate a reduction in overall terms to the training the Council can support.

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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. (Sarah Johnston)

## **8. Options/Alternatives**

8.1 With regard to the consideration of the Liberal Democrat's alternative Capital Programme for 2025/26 to 2029/30, revenue investment proposals and revenue savings proposals for 2025/26 to 2026/27, the options available to the Scrutiny Board are to:

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

## **9. Preferred Option**

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

## **10. Consultation**

10.1 Service Managers have been involved in compiling the proposals and the proposals have been agreed within the content of the business cases attached at Appendix B.

## **11. Financial Implications**

11.1 The financial implications are included within the report.

## **12. Legal Services Comments**

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

## **13. Equality Impact, including implications for Children and Young People**

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

13.2 The investment in youth services is the key proposals that will impact have a beneficial impact on children and young people.

## **14. Equality, community cohesion and crime implications**

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

## **15. Equality Impact Assessment Completed**

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

## **16. Key Decision**

16.1 No.

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**17. Key Decision Reference**

17.1 Not a Key Decision.

**18. Background Papers**

18.1 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: Lee Walsh (lee.walsh@oldham.gov.uk)

**19. Appendices**

19.1 Appendix A: Summary of Alternative Budget Proposals.  
Appendix B: Business Cases for Alternative Budget Reduction Proposals.

**Summary of Alternative Budget Proposals**

**APPENDIX A**

Proposal Reference	Proposal Name	Responsible Officer	2025/26 £000	FTE Impact 2025/26	2026/27 £000	FTE Impact 2026/27	Cumulative Budget Impact £000	EIA Required?
<b>Alternative Budget: Capital Investment Proposals</b>								
<b>Investment Proposals</b>								
A	Expenditure on Internal Temporary Accommodation to create revenue savings		3,000				3,000	No
<b>Total Cost of Alternative Capital Programme</b>			<b>3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,000</b>	
<b>Funded by:</b>								
	Reprioritisation of existing capital Schemes financing		(3,000)				(3,000)	
<b>Total Funding</b>			<b>(3,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,000)</b>	
<b>Balance</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Alternative Budget: Revenue Budget Proposals</b>								
<b>Revenue Investment Proposals</b>								
	Youth Services		150		75		225	No
	Investment in Crime and Safety		125		65		190	No
	Highways and Pavement Repairs		150		100		250	No
	Green Spaces		140		100		240	No
	Financing Costs from Alternative Capital Programme 2025/26 to 2027/28		80				80	No
<b>Total Revenue Budget Investment Proposals</b>			<b>645</b>	<b>0</b>	<b>340</b>	<b>0</b>	<b>985</b>	
<b>Alternative Budget Reduction Proposals</b>								
OPP-BR1-201	Reduction in mileage budgets to reflect change in work practices	Wendy Jackson	(20)	0	0	0	(20)	No
OPP-BR1-202	Reduction in the subsidisation of Trades Union facilities time	Wendy Jackson	(40)	(1.65)	(40)	0	(80)	Yes
OPP-BR1-203	Review of car allowances to reduce the amount paid as a lump sum to staff doing zero or minimal mileage	Wendy Jackson	(15)	0	(50)	0	(65)	Yes
OPP-BR1-204	Reduction in stationery purchased and photocopying	Corporate	(10)	0	0	0	(10)	No
OPP-BR1-205	Reduction in the General Training Budget given the level of vacancy posts and reduction in staff.	Corporate	(60)	0	0	0	(60)	No
OPP-BR1-206	Additional Vacancy Management factor to achieve greater efficiency	Corporate	(500)	0	(250)	0	(750)	No
<b>Total Budget Reduction Suggestions</b>			<b>(645)</b>	<b>(1.65)</b>	<b>(340)</b>	<b>0</b>	<b>(985)</b>	
<b>Surplus Budget/Total FTE Impact</b>			<b>0</b>	<b>(1.65)</b>	<b>0</b>	<b>0</b>	<b>0</b>	

# **Appendix B**

## **Business Cases for Alternative Budget Reduction Proposals**

**Budget  
reductions**

Responsible Officer:	Wendy Jackson
Cabinet Member:	Clr Jabbar

**BR1**

Directorate:	Corporate Services
Service Area:	HR
Budget Reduction Title:	Reduction in mileage budgets to reflect changes in work practices

**Budget Reduction Proposal - Detail and Objectives:**

The Liberal Democrats propose to reduce mileage budgets by £0.020m across the Council, excluding Adult Social Care and Children’s Social Care cost centres.

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

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

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

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

2024/25 Service Budget and Establishment	£000
Employees	N/A
Other Operational Expenses	85
Income	N/A
<b>Total</b>	<b>85</b>

Current Forecast (under) / overspend	
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Number of posts (Full time equivalent)	N/A
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	Current Year	2025/26	2026/27
Proposed Budget Reduction (£000)	0	(20)	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' or is it ongoing?	Yes
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Consultation required?	NO
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<b>Director Sign Off</b>	
<b>Date</b>	

<b>Cabinet Member Signature</b>	
<b>Name and Date</b>	

Responsible Officer:	Wendy Jackson
Cabinet Member:	Cllr Jabbar

**BR1**

Directorate:	Corporate Services
Service Area:	HR
Budget Reduction Title:	Reduce the subsidisation of Trades Union Facility Time

<b>Budget Reduction Proposal - Detail and Objectives:</b>	
<p>The Council, in accordance with the National Agreement on Pay and Conditions of Service, recognises 3 unions for Local Government Services employees as follow:</p> <ul style="list-style-type: none"> <li>• Unison 2.89 FTE</li> <li>• GMB 0.8 FTE</li> <li>• Unite 0.4 FTE</li> </ul> <p>Oldham Council supports the system of collective bargaining and the principle of solving employee relations problems by discussion and agreement before they escalate and to facilitate the conduct of joint business.</p> <p>The role of the unions is therefore to work with the employer to represent and protect the interests of their members by:</p> <ul style="list-style-type: none"> <li>• Negotiating agreements with the Council on changes to conditions of service or other contractual provisions;</li> <li>• Representing the workforce in consultation on changes which impact on their members or that represent major changes to the workplace such as large-scale restructure or working practices;</li> <li>• Supporting members to discuss their concerns with the Council;</li> <li>• Accompanying their members in disciplinary and grievance meetings; and</li> <li>• Providing access to legal and financial advice and other support functions.</li> </ul> <p>The Council seeks to provide for time off and facilities within the statutory framework provided by of the Trade Union and Labour Relations (Consolidation) Act 1992, and the ACAS Code of Practice 'Time off for Trade Union Duties and Activities'. The Liberal Democrats are proposing the Council reduces it subsidisation of trade union support following a reduction in membership. This would result in a reduction of approximately 50% of the base budget resulting in a total saving £0.070m which, due to the consultation required, would be achieved over 2 financial years.</p> <p>In addition, the Liberal Democrats propose a review is undertaken to ensure the Council subsidy of Trades Union time and facilities is in line with that of neighbouring boroughs.</p>	

<b>2024/25 Service Budget and Establishment</b>	<b>£000</b>
Employees	129
Other Operational Expenses	53
Income	(12)
<b>Total</b>	<b>170</b>

<b>Current Forecast (under) / overspend</b>	
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<b>Number of posts (Full time equivalent)</b>	3.30
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	<b>Current Year</b>	<b>2025/26</b>	<b>2026/27</b>
<b>Proposed Budget Reduction (£000)</b>	0	(40)	(40)
<b>Proposed Staffing Reductions (FTE)</b>	0	(1.65)	0

<b>Is your proposal a 'one-off' or is it ongoing?</b>	Yes
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<b>Consultation required?</b>	Yes
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<b>Director Sign Off</b>	
<b>Date</b>	

<b>Cabinet Member Signature</b>	
<b>Name and Date</b>	

Responsible Officer:	Wendy Jackson
Cabinet Member:	Cllr Jabbar

**BR1**

Directorate:	Corporate Services
Service Area:	HR
Budget Reduction Title:	Review of car allowances as previously promised to reduce the amount paid as a lump sum to staff doing zero or minimal mileage

**Budget Reduction Proposal - Detail and Objectives:**

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

As at January 2024 the Council had 522 staff members employed in roles that paid the Essential Car Allowance, compared to 532 twelve months prior.

Analysis of the data shows that in the period April 2024 to 31 January 2025, 250 (48%) of those individuals in roles with the Essential Car Allowance have recorded/ claimed zero miles). For the same period 43 (8%) recorded/claimed for 1 to 100 miles and 229 (44%) recorded/claimed for 101 and above miles.

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

The Liberal Democrats propose generating a £0.050m saving by reducing the number of posts that attract an essential car user payment. A saving of £0.050m would equate to removal of allowance from 100 employees. Due to consultation requirements, only a part year reduction of £0.015m would be generated in 2025/26 with the full saving of £0.050m in 2026/27.

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.

2024/25 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	444
Income	0
<b>Total</b>	<b>444</b>

Current Forecast (under) / overspend	
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Number of posts (Full time equivalent)	0
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	Current Year	2025/26	2026/27
Proposed Budget Reduction (£000)	0	(15)	(50)
Proposed Staffing Reductions (FTE)	0	0	0

<b>Is your proposal a 'one-off' or is it ongoing?</b>	Ongoing
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<b>Consultation required?</b>	<b>Yes</b>
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<b>Director Sign Off</b>	
<b>Date</b>	

<b>Cabinet Member Signature</b>	
<b>Name and Date</b>	

Responsible Officer:	Council Wide
Cabinet Member:	Cllr Jabbar

**BR1**

Directorate:	Corporate Services
Service Area:	Cross Cutting
Budget Reduction Title:	Reduction in the Stationery Budget

**Budget Reduction Proposal - Detail and Objectives:**

It is proposed that a budget reduction of £0.010m is implemented in 2025/26 in relation to the Stationery Budget in the belief that there is scope for a modest reduction in this area. Facilitated by the increase in home working and the relocation of a significant number of staff to the Spindles Office space, there is a reduced reliance on physical stationery and an increasingly 'paper-less' working environment.

The purchase of remaining requirement for 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. It is therefore suggested that the purchase of stationery could be centralised ensuring that better value for money is being achieved through increased understanding of which items are required, volumes etc.

2024/25 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	79
Income	0
<b>Total</b>	<b>79</b>

Current Forecast (under) / overspend	N/A
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Number of posts (Full time equivalent)	0
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	Current Year	2025/26	2026/27
Proposed Budget Reduction (£000)	0	(10)	0
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' or is it ongoing?	Ongoing
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Consultation required?	No
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Director Sign Off	
Date	

Cabinet Member Signature	
Name and Date	

Responsible Officer:	Wendy Jackson
Cabinet Member:	CLlr Jabbar

## BR1

Directorate:	Corporate Services
Service Area:	HR
Budget Reduction Title:	Reduction in the General Training Budget

### Budget Reduction Proposal - Detail and Objectives:

The general training budget for 2024/25 is approximately £0.240m.

The Liberal Democrats propose to make a permanent reduction in the general training budget of £0.060m (25%) to be implemented in 2025/26. As can be seen from the Revenue Monitoring reports throughout the 2024/25 financial year the Council has significant vacant posts and following the recent VR process the number of staff has reduced further.

Alternative funding for Council staff training is available through schemes associated with the Apprentice Levy and learning opportunities with partners such as the GMCA. These opportunities will reduce and mitigate any impact on the proposal.

The proposed reduction would require all future training requirements to be reviewed to ensure that best value is being secured. Priority would be provided to statutory and mandatory training. Any additional training and development would be assessed on the basis of value provided to the organisation, managing any identified risks to the Council in terms of building capability across all service areas.

### 2024/25 Service Budget and Establishment

	£000
Employees	0
Other Operational Expenses	243
Income	0
<b>Total</b>	<b>243</b>

### Current Forecast (under) / overspend

Current Forecast (under) / overspend	N/A
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### Number of posts (Full time equivalent)

Number of posts (Full time equivalent)	0
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	Current Year	2025/26	2026/27
Proposed Budget Reduction (£000)	0	(60)	0
Proposed Staffing Reductions (FTE)	0	0	0

### Is your proposal a 'one-off' or is it ongoing?

Is your proposal a 'one-off' or is it ongoing?	Ongoing
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### Consultation required?

Consultation required?	No
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<b>Director Sign Off</b>	
<b>Date</b>	

<b>Cabinet Member Signature</b>	
<b>Name and Date</b>	



Reference:	OPP-BR1-206
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Responsible Officer:	Council Wide
Cabinet Member:	All

**BR1**

Directorate:	Council Wide
Service Area:	Council Wide
Budget Reduction Title:	Additional Vacancy Management Factor

**Budget Reduction Proposal - Detail and Objectives:**

In previous years and for 2024/25, the Administration agreed to apply a vacancy factor at an identified rate 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. The proposal and given the level of posts currently vacant within the Council, is to continue this approach for 2025/26. It is proposed that a budget reduction of £0.750m is implemented across 2025/26 (£0.500m) and 2026/27 (£0.250m). The calculation is based on the Council's salary budget less previously approved vacancy saving targets and forecast essential agency spend.

2024/25 Service Budget and Establishment	£000
Employees	0
Other Operational Expenses	0
Income	0
<b>Total</b>	<b>0</b>

Current Forecast (under) / overspend	
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Number of posts (Full time equivalent)	0
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	Current Year	2025/26	2026/27
Proposed Budget Reduction (£000)	0	(500)	(250)
Proposed Staffing Reductions (FTE)	0	0	0

Is your proposal a 'one-off' or is it ongoing?	Ongoing
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Consultation required?	No
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Director Sign Off	
Date	

Cabinet Member Signature	
Name and Date	