

Report to Council

Medium Term Financial Strategy 2017/18 to 2020/21 – Administration Budget Proposals

Portfolio Holder: Cllr Abdul Jabbar, Deputy Leader and Cabinet Member for Finance and HR

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Reason for Decision

This report presents to Council the Administration's detailed Phase 1 budget reduction proposals for the financial year 2017/18.

Executive Summary

This report presents to Council, the Administration's first phase of detailed proposals towards bridging the 2017/18 budget gap of £20.315m. As part of the development and consultation process for these proposals, the Overview and Scrutiny Performance and Value for Money Select Committee (PVFM) met on 10 November 2016 to review 44 proposals with a total value of £7.012m. Cabinet then considered the proposals on 5 December 2016 resulting in:

- A total of £6.147m of Phase 1 2017/18 budget reduction proposals being commended to Council for approval. Proformas presenting the detail of each of the proposals are appended to the report together with Equality Impact Assessments (if appropriate).
- Two proposals to the value of £0.400m being noted to allow time for the completion of staff consultation which will conclude on 23 December 2016.
- Five proposals having a decision deferred to allow additional information to be presented to the January 2017 meeting of the PVFM Select Committee for further scrutiny.

If all of the proposals commended by Cabinet to the Council are approved (totalling £6.147m), this would leave a balance of £14.168m still to be addressed for 2017/18. Clearly, if some of the proposals are not approved then the balance remaining will be higher.

There are still some vital pieces of financial information which have yet to be received from Government in order that the final budget position can be determined. This information is due to be

issued by Central Government from mid-December. In addition, as the next stage in closing the budget gap, a S188 notice was issued on 28 November 2016 which included budget reductions proposals totalling £5.466m and a FTE impact of 12. These proposals will be presented for consideration for scrutiny in January 2017 together with the updated budget position. The final budget report with further Administration proposals to balance the budget will be presented to Council on 1 March 2017, including as appropriate information with regard to the proposals noted and deferred by Cabinet.

Recommendations

That Council:

- Approves the £6.147m of detailed budget reduction proposals presented in summary at Appendix 1 and in detail at Appendix 2.
- Considers the information contained within the Equality Impact Assessments also included in Appendix 2 supporting the Phase 1 proposals.
- Notes the consultation responses from Saddleworth and Shaw & Crompton Parish Councils included at Appendices 3b and 4b.

Medium Term Financial Strategy 2017/18 to 2020/21 – Administration Budget Proposals**1 Introduction**

- 1.1 The report elsewhere on the agenda - Medium Term Financial Strategy 2017/18 to 2020/21 – Policy Landscape and Forecast Budget Gap Update sets out full financial forecasts and assumptions that have been used to inform the budget reduction requirement. This highlights that the budget gap for 2017/18 is £20.315m rising to a cumulative sum of £53.823m by 2020/21.
- 1.2 This report therefore provides Council with the Administration's detailed Phase 1 budget proposals which begin to address the budget gap for 2017/18.

2 Budget Reduction Proposals

- 2.1 Following on from the successful processes adopted in previous years, the Council is approaching balancing the budget for 2017/18 and 2018/19 as a two year exercise. Using the well-established forum of Leadership Star Chamber there has been a review of the extent of financial pressures facing the Council and consideration given to initial budget reduction proposals to bridge the budget gap.
- 2.2 The budget has been reviewed by Portfolio area with proposals put forward for consideration. The Portfolio areas reviewed are as follows:
- Health and Wellbeing
 - Economy, Skills and Neighbourhoods
 - Chief Executive
 - Corporate and Commercial Services
- 2.3 Work has also been undertaken to prepare cross cutting budget proposals. Member support for Portfolio specific and cross cutting proposals has been demonstrated by proformas bearing the signatures of the relevant Cabinet Member.
- 2.4 To date, 44 budget reduction proposals to the value of £7.012m in 2017/18 (and a further £0.105m in 2018/19) with an FTE impact of 65.27 were developed to a sufficient level of detail to be presented to Members. In order to follow established processes, public consultation began on these proposals on 6 September 2016 and staff consultation began with the issue of the S188 notice on 19 September 2016. This was to allow sufficient time for the consultation processes to complete and for responses to be taken into consideration prior to the December Council meeting.
- 2.5 The detailed scrutiny of these proposals took place on 10 November 2016 when the Overview and Scrutiny Performance and Value for Money (PVFM) Select Committee had the opportunity to question Cabinet Members and officers on each of the 44 budget reduction proposals.
- 2.6 After due consideration of all key issues, the Select Committee was minded to recommend to Cabinet for approval, 38 budget reduction proposals at a 2017/18 value of £6.177m with a staffing impact of 37.90 FTE. In addition, two proposals were noted by the Committee and it recommended that a decision on four be deferred to allow the opportunity for further scrutiny at the 26 January 2017 meeting of the Select Committee as explained in the following paragraphs.

2.7 Cabinet was content to accept the recommendations of the Select Committee except with regard to ESN-RSI-033 Implementation of Charges for Resident Parking Permits (£0.030m), where Cabinet agreed to defer a decision to allow further information to be considered by the PVFM Select Committee on the operation of the scheme including the option of providing free parking permits for visitors.

2.8 The decisions of Cabinet are summarised in the table below:

Decisions of Cabinet	Number of proposals	FTE	2017/18 £000	2018/19 £000
- Recommended for approval by Council	37	37.90	6,147	105
- Noted	2	19.87	400	0
- Decision deferred	5	7.50	465	0
Total	44	65.27	7,012	105

2.9 The Cabinet Meeting on 5 December 2016 has therefore recommended Council approves 37 proposals totalling £6.147m for 2017/18.

Proposals presented for approval

2.10 As advised previously, in this first phase, 37 of the 44 budget reduction proposals at a value of £6.147m and an FTE impact of 37.90 are recommended for approval. Approval of these proposals gives rise to a further saving of £0.105m for 2018/19. This is summarised by Portfolio in the table below:

	Health & Wellbeing £000	Economy, Skills And Neighbourhoods £000	Chief Executive £000	Corporate & Commercial Services £000	TOTAL £000
2017/18	1,867	975	350	2,955	6,147
2018/19	40	50	0	15	105

2.11 Attached at Appendix 1 is the consolidated summary list of budget reduction proposals for Phase 1 items recommended for approval which also shows the anticipated staffing reduction by proposal. The Appendix 1 summary also highlights proposals which have had detailed Equality Impact Assessments (EIA) prepared.

2.12 Appendix 2 sets out the budget reduction proposals recommended for approval in detail using a pro-forma presentation for each of the items. Each pro-forma identifies how the budget reduction is to be achieved together with the implications for staff, service users, partners and other information relevant to decision making. If required, the draft EIA document follows the related pro forma.

2.13 The impact on the budget gap, should all proposals be approved is as follows:

Phase 1 Proposal's Recommended for Approval by Council

	Cumulative Figures			
	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Approved Budget Gap	20,315	34,014	45,185	53,823
Budget Reduction Proposals recommended for approval				
- Phase 1 (Ongoing)	(5,624)	(5,729)	(5,729)	(5,729)
- Phase 1 (Use of reserves)	(373)			
- Phase 1 (One-Off)	(150)			
Total Phase 1 proposals recommended for approval	(6,147)	(5,729)	(5,729)	(5,729)
Balance to find if all recommended proposals are approved	14,168	28,285	39,456	48,094

2.14 As can be seen in the table above, should all the recommended budget reduction proposals be approved, the remaining balance to find for 2017/18 is £14.168m rising to £48.094m by 2020/21. Clearly, if some of the proposals are not approved then the balance remaining will be higher.

2.15 It should be noted that:

- HWB-LIG-008: Reduce Public Health Transformation Fund requires the use of £0.373m of reserves in 2017/18 to support the transition to new ways of working. It is expected that the service will be undertaking activities during 2017/18 to minimise the call on reserves and to produce recurrent budget reductions from 2018/19 onwards. However at this time, to be prudent, the 2018/19 gap is presented on the basis that this proposal has a one off impact.
- CCS-LIG-015: General Training Budget at a value of £0.150m is a one year only reduction. This therefore increases the target for in year reductions for 2018/19.

2.16 Public consultation processes have now concluded for Phase 1 proposals. The results of the consultation are explained more fully in Section 7 and this has been taken into account forming the recommendations to Council. Those proposals where specific communications/meetings were instigated are:

- HWB-INV-002: Decommissioning of The Link Centre £0.250m
Public consultation has concluded and there has been detailed consultation with service users. Opportunities for the continued use of the facility are also being explored. In order to allow more time to consider these issues, Cabinet deferred a decision on this proposal. The outcome of the on-going review and consultation will be presented to the PVFM budget scrutiny meeting on 26 January 2017.

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- HWB-LIG-014: Small Community Lunch Clubs £0.033m
 - Discussions have taken place with service users.
 - ESN-RSI-033: Implementation of Charges for Resident Parking Permits £0.030m
 - A petition has been received from residents and discussions have taken place with those who have expressed concerns. Cabinet deferred a decision on this proposal and further information will be presented to the PVFM budget scrutiny meeting on 26 January 2017.
 - CCS-LIG-047: Reduction in Parish Council Grant Payments £0.010m in 2017/18 and a further £0.015m in 2018/19.
 - The Council has received formal consultation responses in relation to the proposal 'Reduction in Parish Council Grant Payments'. Full correspondence associated with the consultation responses is included in **Appendices 3a, 3b, 4a and 4b.**
 - CCS-TRN-050: Temporary Terms and Conditions Cessation £1.083m
 - Consultations with staff and Trade Unions closed on 14 November 2016. Responses have been considered as part of the full consultation process and are detailed at Section 7 of this report.

3 Next Steps

- 3.1 Approval of the proposals in this report by Council will allow implementation prior to the start of the 2017/18 financial year.
- 3.2 Members are advised that a S188 notice with regard to Phase 2 budget proposals was issued on 28 November 2016 to begin the formal consultation process with Trades Unions. The value of these proposals is £5.466m with a FTE impact of 12. These proposals will be presented for scrutiny at the January 2017 meeting of the PVFM Select Committee, together with the updated position on proposals where Cabinet at its meeting of 5 December 2016 noted or deferred a decision. Having regard to comments of the Select Committee and Cabinet recommended budget proposals will be presented to Council on 1 March 2017.
- 3.3 At this stage of the budget setting process there remains a gap between the budget reduction requirement and proposals at various stages of consideration. However, there are still some key pieces of information to be received. As a result the budget reduction requirements may be affected by a number of issues including (but not restricted to) the following:
- The Provisional Local Government Finance Settlement 2017/18 (expected mid-December)
 - Other Local Government Funding changes
 - Variations in the Council Tax and Business Rate Tax Bases
 - The announcement of the GM Waste Disposal Authority and GM Combined Authority Levies for 2017/18 (confirmed January/February 2017)

- 3.4 Key dates in the Oldham Council budget cycle from December 2016 to the March 2017 Budget Council are set out below.

2016/17	Detail	Date
<u>Dec</u> Council	Consideration of Budget reduction proposals for approval	14/12/2016
<u>Jan</u>	S188 (Min 45 Days) end - Phase 2	05/01/2017
	Latest date for issue of termination of employment to be effective for 1 April 2017	09/01/2017
Cabinet	Considers Taxbase Report	23/01/2017
PVFM	Scrutiny of suite of budget reports	26/01/2017
<u>Feb</u>		
PVFM	Opposition budget scrutiny	07/02/2017
	Formal Trades Union/Employee consultation ends - Phase 2	13/02/2017
Cabinet	Consideration of the suite of budget reports and recommendation to Council	20/02/2017
<u>Mar</u> Council	Consideration of a suite of budget reports and Council Tax Setting	01/03/2017

4 Options/Alternatives

- 4.1 Option 1 – Council approves the budget reduction proposals detailed at Appendix 1 to the value of £6.147m
- 4.2 Option 2 – Council can request that further work is undertaken on some or all of the budget reduction proposals and that a decision on proposals is deferred.

5 Preferred Option

- 5.1 The preferred option is that Option 1 is approved and that £6.147m of budget reduction proposals are approved.

6 Financial Implications

- 6.1 Financial Implications are dealt with in full within the detail of the report.

7 Consultation

General Consultation

- 7.1 The presentation of these proposals to Council has been shaped by detailed consultation.
- 7.2 Since 6 September 2016 the Council have been consulting with members of the public and Council staff about the budget challenge, asking for their views on the proposed proposals and for suggestions for alternative budget reductions. The public consultation on Phase 1 proposals closed on 29 November 2016; however, a significant amount of engagement has been carried out to date.
- 7.3 In order to inform people about the wider budget challenge and the proposals put forward, the Council continues to carry out a series of communications activities. This includes providing detailed information on the Council website and intranet, a press release to the media, information within Borough Life magazine and extensive social media activity.
- 7.4 The core information about the proposals is provided to both members of the public and Council staff via the budget website pages. This includes a home page which provides background and context on the financial challenges the Council face, a page which summarises the proposals and a mythbuster page. There are also pages summarising the proposals by directorate. At the time of preparing this report the home page had been visited 2,620 times, the summary of proposals had been visited 1,587 times and the mythbuster had been visited 279 times.
- 7.5 As well as providing the information via the website, a comments section has also generated 47 comments which will be fed into the budget process.
- 7.6 Additional staff-specific information is provided via the Councils intranet site. This includes a home page and a dedicated staff information page as well as links to the information on the external website on the specific proposals. The home page has been visited 479 times while the staff information page has generated 626 views.
- 7.7 Social media was used to promote the consultation. Two boosted Facebook posts generated a total reach of 59,810, driving more than half of the traffic to the Councils website. Other unpaid posts generated a total reach of 16,917. The consultation was also promoted on Twitter with regular posts generating 25,068 impressions and 352 engagements. All queries in response to the posts are answered, with residents given further information or signposted to the appropriate information or contact channels.
- 7.8 To ensure residents who do not use digital channels are not excluded, budget messaging has been included in the Councils resident newsletter, Borough Life, distributed in October by generating media coverage via a press release. A total of eight printed news stories were generated by the press release and subsequent debate around the issue along with a number of radio news bulletins.
- 7.9 A number of events have been held in relation to specific health and wellbeing budget proposals. A general health and wellbeing budget consultation event was held at Gallery Oldham in October and specific engagement sessions have been held with users of the Link Centre.
- 7.10 The Link Centre consultation in particular provoked a significant response with a total of 245 responses being received to date. The findings of the consultation indicate that 78% of those people access the centre often and the blue badge service is the most accessed service at the centre with 17.03% of people visiting the centre for that purpose. Around 24% of respondents felt the Council should provide support to access other venues while

19.41% felt groups should be helped to become self-sustaining. A further 14.27% felt service users should be referred to other providers in the voluntary and community sector. A full report on the consultation findings so far has been produced. To allow full consideration of comments and updated information, Cabinet has agreed to defer any decision on this proposal.

- 7.11 As part of the Council's wider budget consultation, views have been asked on a specific proposal – to reduce the grant funding provided to Saddleworth and Shaw and Crompton Parish Councils.
- 7.12 In order to publicise the option, and as well as writing directly to the Parish Councils about the issue, the proposal was communicated to the public via the Council website, a press release to the media, information within Borough Life magazine and extensive social media activity. It was also promoted to staff via the intranet.
- 7.13 Both Parish Councils have responded with detailed letters providing their analysis of the proposal and listing a range of activities and priorities which could be negatively impacted.
- 7.14 Saddleworth Parish Council listed health and safety, general maintenance, the health and wellbeing of older people, community events, youth work, employment and tourism amongst the issues that could all be affected by the proposal. They concluded their report by stating "The importance of the Parish Council to the community and the impact of the loss of the grant funding would threaten many of the above activities, depriving the community of this valuable work. On top of all this, the Councillors, being the most local tier of The Council, are an important conduit between the people of the parish, Oldham Council and other agencies and their loss would have significant implications for the quality of life in Saddleworth."
- 7.15 Shaw and Crompton Parish Council listed environmental maintenance, litter removal, footpath maintenance as well as support for community events and Citizens Advice Bureau among the issues that could be affected by the proposal. They concluded their report by stating: "If Oldham Council is minded to remove this Grant, we would request that it is at least implemented in a phased manner so the Parish can plan and cope with the reduction in resources and re-profile its services in a measured and effective way, remaining cost effective and ensuring value for money".
- 7.16 The consultation closed to the public on 29 November 2016 in line with the wider budget consultation.
- 7.17 Among the issues that could potentially be negatively impacted Saddleworth Parish Council said that health and safety could be affected along with litter removal, cleaning, clearing and repairing etc. that is additional to Oldham Council's general maintenance programme.
- 7.18 Community Involvement – Help and support for the ten Community Associations in Saddleworth, environmental issues (e.g. flooding), community events via direct provision of funding (e.g. Christmas trees, Saddleworth in Bloom, Saddleworth Folk Festival, Whit Friday Brass Band Contest), and aspirations to support a community gardening facility.
- 7.19 A formal petition has been received in relation to the proposal to introduce charging for residents parking permits. A total of 125 have signed the petition and a formal response has been sent to the lead petitioner. To ensure meaningful consultation is carried out the lead petitioner (and/or group) was invited to take part in further discussions.

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- 7.20 Another part of the wider public consultation was the consultation on a proposal to cease funding to four community lunch clubs. This was promoted as part of the wider consultation in the same way as the options above both online and in print.
- 7.21 Service users were also invited to a series of meetings. A total of 160 people attended over the course of three months. Further consultation was also carried out with the general public at Gallery Oldham. The comments from the consultation were that the clubs help to address isolation and support the older people's welfare. To many people, the clubs were the highlight of their week and the closure is extremely worrying for some. The EIA presents issues for each lunch club so their concerns and needs can be addressed on an individual basis.
- 7.22 It is important to note that since the public consultation closed on 29 November 2016, no significant issues have been identified that would influence the recommendations to Council set out in this report.

Consultation on Terms and Conditions of Employment

- 7.23 The Council has temporarily varied the terms and conditions of employees on two separate occasions; in 2012 and in 2014 both as a 'last resort' to achieve required budget savings. The current temporary variations are due to expire on 31 March 2017. These changes in composite are valued at £2.000m savings annually and are:
- An all grades increment freeze.
 - With the exception of Apprentices, employees on Grade 1 and Pupil Escorts, employees are required to take 3 days (FTE equivalent) unpaid leave of absence during the working year.
 - Payment for non-contractual overtime paid at plain time.
 - A move from the national to a local car allowance entitlement scheme, which resulted in a reduction in the lump sum payable to £500 p.a. and a move to HMRC mileage rates for vehicle usage. The criteria for the allocation of car user's designations has been agreed jointly.
 - That there should be a joint management-trade union review of car allowance allocations. This is now completed.
- 7.24 Consultation with the recognised trade unions and full staff engagement on a range of options has been carried out from June 2016 and this has now closed. Both management and trade unions initially worked to achieve collective agreement but given the very real budget pressures and the final proposed changes this has not been possible. Rather the position is that the unions have consistently lobbied that the Council should use part of the unallocated balances of £18.393m to remove the requirement for any terms and conditions changes. Notwithstanding this position, Members are reminded that the level of balances referred to were determined as part of the budget setting process for 2016/17 and formed part of the Chief Finance Officer's assessment of reserves and the robustness of the budget estimates; an assessment that must be carried out under Section 25 of the Local Government Act 2003. The position for 2017/18 will be reassessed once final budget proposals are prepared and submitted to Council on 1 March 2017.
- 7.25 The unions have jointly contacted their membership seeking acceptance or otherwise of the final offer (as set out at paragraph 7.26) and report that a strong response indicates Member's non-acceptance and, in the event an improved position is not negotiated, a preparedness to take industrial action. This is in contrast to the limited feedback received from the general workforce in response to management communication.

- 7.26 Following the final meeting with the unions and proper consideration of the outcome of the negotiations, the final range of management proposed changes to terms and conditions of employment with effect from 1 April 2017 for consideration and decision by full Council are set out below:

Proposal	Cost / (saving)	Comment
Reinstate incremental progression with effect from 1 April 2017	£0.917m	Supports equality considerations. Will be implemented by paying the increment due at the time the freeze was effected
Continue 3 days mandatory unpaid leave 1 April 2017 – 31 March 2018 for all central directorate employees except centrally employed teachers, Grade 1 staff, Pupil Escorts, Apprentices and Trainees	(£0.756m)	See the intention that the savings accrued could be replaced by the voluntary annual leave purchase scheme referred to below
Supplement the 1 year mandatory scheme with a voluntary annual leave purchase scheme available permanently from 1 April 2017	(TBD)	This to be subject to management control but to be actively promoted to supplement terms and conditions savings in 2017/18 and designed to take the place of the mandatory scheme from 1 April 2018 onwards
Non-contractual overtime be paid at plain time permanently	(£0.327m)	In place since 2012
Adopt the local car allowance scheme permanently		Allocation criteria has been jointly agreed between management and trade unions
Remove 2 days leave for nil sickness in the previous year from 1 April 2017 (applies to NJC staff up to and including SM1)	(£0.245m productivity savings) (£0.042m actual savings)	This provision has been subject to a cost benefit analysis and its removal will support the uptake of the proposed voluntary annual leave purchase scheme
Reduce the policy of 2 years' salary protection to 1 year for new cases with effect from 1 April 2017	(£0.038m pa but full year saving only from 1 April 2019 with incremental cost release in 2018/19)	Applies to new cases of protection which come into being from 1 April 2017 onwards. This is policy issue and not a term and condition of employment.

(Jane Rotherham / Sally Blackman)

8 Legal Services Comments

- 8.1 The Council has a legal obligation to pass its budget and Council Tax resolutions by 11 March 2017. Appropriate statutory consultation has taken place in respect of the proposals presented for approval.

(Colin Brittain)

9 Co-operative Agenda

- 9.1 The Council will ensure that its budget setting process addresses the repositioning of the Council as a Co-operative Council linking to Oldham's ambition for a Co-operative Future.

10 Human Resources Comments

- 10.1 High level union and staff engagement on Phase 1 options commenced on the 6 September 2016 in order to give an overview of where savings were being considered and the Councils initial thoughts on how these may be delivered.
- 10.2 The S188 document starting formal consultation on the Phase 1 proposals was issued to the recognised trade unions on the 19 September 2016 and started the minimum 45-day formal consultation process. Consultation closed on 5 December 2016 in order to allow for full consideration of any comments or alternatives submitted by unions or staff in advance of Council on 14 December 2016.
- 10.3 Where consultation has not been completed (the complexity of the option has meant that public and /or staff consultations are not completed) consideration must be given to moving final approval to the Council meeting in March 2017 in order to ensure meaningful consultation based on complete proposals takes place. As agreed by Cabinet on 5 December 2016 this has been the case for 2 x Phase 1 options; CEX-TRN-001 and CCS-TRN-046.
- 10.4 Further to this, Cabinet has agreed to defer decisions on 5 x Phase 1 options; HWB-TRN-037/038/036, HWB-INV-002 and ESN-RSI-033. Meaningful consultation will be undertaken and completed prior to formal consideration at a future Council meeting.
- 10.5 The S188 document shows a potential 65.27 FTE job losses in Phase 1. Of these 19.87 FTE posts are contained within the options detailed at 10.3 and 7.5 FTE within those detailed at 10.4. As such, these proposals are not presented for approval at this Council meeting. As a result proposals with an impact of 37.90 FTE are presented for approval.
- 10.6 As part of the next stage in closing the budget gap, a S188 notice was issued on 28 November 2016 which included budget reduction proposals totalling £5.466m and a FTE impact of 12. These proposals will be presented for consideration for scrutiny in January 2017 together with the updated budget position.
- 10.7 People Services and the HR Advisory Service within Unity will continue to work with the Directorates to ensure that the proper process is followed and that the staff and unions have the opportunity to share their views and have input on the final outcomes.

(Vanessa Bedford)

11 Risk Assessments

- 11.1 The Council has a statutory obligation to set a balanced budget. This report sets out a number of options by which the Council proposes to set its budget for 2017/18. Failure to agree a balanced budget will expose the Council to the risk of future censure by its external auditors.

(Mark Stenson)

12 IT Implications

- 12.1 Any specific IT implications associated with the proposals included in the report are detailed within the individual budget reduction proformas included at Appendix 2.

13 Property Implications

- 13.1 Any specific property implications associated with the proposals included in the report are detailed within each individual budget reduction proformas included at Appendix 2.

14 Procurement Implications

- 14.1 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

15 Environmental and Health & Safety Implications

- 15.1 Environmental and Health and Safety implications will be taken into account when dealing with the individual proposals as appropriate.

16 Equality, community cohesion and crime implications

- 16.1 In taking financial decisions the Council must demonstrate that it has given “due regard” to the need to eliminate discrimination, promote equality of opportunity and promote good relations between different groups.

- 16.2 Demonstrating that “due regard” has been given involves:

- assessing the potential equality impacts of proposed decisions at an appropriate stage in the decision making process - so that it informs the development of policy and is considered before a decision is taken;
- ensuring that decision makers are aware of the equality duties and any potential equality issues when making decisions.

NB – having due regard does not mean the Council cannot make decisions which have the potential to impact disproportionately, it means that we must be clear where this is the case, and must be able to demonstrate that we have consulted, understood and mitigated the impact.

- 16.3 To ensure that the process of impact assessment is robust, it needs to:

- Be specific to each individual proposal;
- Be clear about the purpose of the proposal;
- Consider available evidence;
- Include consultation and involvement with those affected by the decision, where appropriate;
- Consider proposals for mitigating any negative impact on particular groups;
- Set out arrangements for monitoring the actual impact of the proposal.

- 16.4 The Equality Act 2010 extends the public sector equality duties to cover nine protected characteristics, namely:

- age,
- disability,
- gender,
- gender reassignment,
- marriage and civil partnership,
- pregnancy and maternity,
- race,
- religion and belief and
- sexual orientation

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- 16.5 In December 2010, the Government announced that it would not be taking forward the socio-economic duty for public bodies. Despite this we have continued to consider people on low incomes as part of our equality impact assessment process.
- 16.6 Assessing the potential equality impact of proposed changes to policies procedures and practices is one of the key ways in which public authorities can show 'due regard'. Equality Impact Assessments (EIAs), therefore, provide a structured framework which enables the Council to ensure that it considers the equality impact of decisions, and to demonstrate to others that it has done so.
- 16.7 Oldham's EIA form is based on the experience of previous years and incorporates elements from good practice elsewhere. The main aims of our current EIA are to:
- strengthen the process through improved accountability – identifying a lead officer for each EIA;
 - stimulate a more rigorous and overt analysis of the impact and possible mitigations;
 - implement a stronger equality monitoring and management process to ensure that we follow through on what we said we would do. This includes identifying risks to implementation and how these will be managed.
- 16.8 All proposals in this report have a final EIA. No EIA is considered complete until public consultation has finished.
- 16.9 The equality impact assessment process undertaken for the Council's budget process involves:
- An initial equality impact screening – The budget proposal action plan forms completed by each Director / Service Manager incorporate an initial equality screening to identify whether any proposal has the potential for significant disproportionate adverse impact in respect of any protected characteristic i.e. whether the impact of the proposal falls disproportionately on any particular group – such as people with a disability.
 - The initial screenings are then independently reviewed by a small group with knowledge of the equality legislation, comprising of the Cabinet Member for Social Care and Safeguarding, a senior officer from the Economy, Skills & Neighbourhoods directorate, a lawyer from the Legal Services team, two senior officers from Commissioning and a senior officer from People Services.
- 16.10 The key aims of this review process are to:
- assess the potential equality impact of each proposal using the information provided
 - provide challenge to those where the Group feel the initial screening does not accurately identify those equality groups potentially affected and that a further screening process needs to be completed.
- 16.11 Full equality impact assessment – An equality impact assessment is carried out if the initial screening identifies that the proposal could have a potential significant, disproportionate adverse equality impact.
- 16.12 A key element to assessing the equality impact has been the involvement of elected members. This involvement has included:
- Cabinet Member for Social Care and Safeguarding sits on the Equality Challenge Group.
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- Consideration of equality impact throughout the Leadership Star Chamber process, including through the initial screenings on the proposal forms and a briefing paper.
- Briefings between Executive Directors and Cabinet Members during development of proposals and working together to consider the equality impacts and identify any mitigating actions.
- Both the EIA screening information contained with the budget proposals and the EIA forms themselves, where available, are submitted to, and considered by PVFM Select Committee. NB: Where public consultation is required and is ongoing, the EIA forms are still in draft form at this stage.
- Final EIAs are made available to Members alongside the budget proposals in the Council papers.

16.13 The Council in adhering to the legal requirements is already completing EIAs and progress will be reported on these throughout the budget preparation as it was last year.

16.14 All required EIA's in relation to the Administration's budget reduction proposals are included in Appendix 2.

(Jennifer Barker)

17 Key Decision

17.1 Yes

18 Key Decision Reference

18.1 CFHR-17-16

19 Background Papers

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

File Ref: Background papers are included in Appendices 1-4

Officer Name: Anne Ryans

Contact No: 0161 770 4902

20 Appendices

Appendix 1 Summary of all Phase 1 Budget Reduction Proposals recommended for approval.

Appendix 2 Detailed pro-forma Budget Reduction Proposals and Equality Impact Assessments recommended for approval.

Appendix 3a Saddleworth Parish Council Consultation – Invitation to respond.

Appendix 3b Saddleworth Parish Council Consultation Response.

Appendix 4a Shaw and Crompton Parish Council Consultation – Invitation to respond.

Appendix 4b Shaw and Crompton Parish Council Consultation Response.