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**Report to Overview and Scrutiny Performance and Value for Money Select Committee**

**Liberal Democrat's Budget Amendment Proposals 2018/19**

**Portfolio Holder:** Deputy Leader of the Main Opposition, Liberal Democrat Group, Councillor John McCann

**Officer Contact:** Mark Stenson, Head of Corporate Governance  
**Ext. 4783**

**6 February 2018**

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**Reason for Decision**

The report presents to the Overview and Scrutiny Performance and Value for Money Select Committee (PVFM) the Liberal Democrat's suggested amendments to the Administration's Budget proposals for 2018/19 and offers some forward looking proposals to achieve savings in future years. The report also supports changes in the way the budget setting process is carried out to ensure more robust long term financial sustainability.

**Executive Summary**

The report presents to PVFM a number of 2018/19 budget amendments in addition to those proposals already presented by the Administration to this Select Committee at its meeting on 25 January 2018.

The Provisional Local Government Finance Settlement had no surprises providing no significant additional funding that could be deployed towards balancing the 2018/19 budget, confirming the need for the Council to make significant savings and the expectation that the Council will continue to implement increases to Council Tax for the foreseeable future. The Administration proposal to increase Council Tax by 3.99% for 2018/19, representing a 1.99% general increase and a 2% Adult Social Care Precept, is therefore accepted by the Liberal Democrats.

The Provisional Local Government Finance Settlement allowed Council's to increase Council Tax on the general element by up to 3% without reference to a referendum. Implementing this extra increase would generate an extra £0.836m in recurring resource which would reduce the amount of reserves required to underpin the 2018/19 Budget. The Liberal Democrats support the Administration in its decision not to increase Council Tax by the additional 1%.

This report proposes a number of investment proposals which can be considered individually or collectively. They require initial investment that will be funded from a range of savings proposals put forward to offset the increased expenditure. The small net surplus generated by the savings

proposals will reduce the reserves required to support the budget in 2018/19 and for 2019/20 will reduce the budget saving requirement. These proposals are highlighted in the table below:

Alternative Budget - Investment Proposals		2018/19	2019/20
Paragraph Ref	Proposal	£000	£000
3.2	Additional £5.000m investment in infrastructure and highways capital programme	-	72
3.3	Reinstate the funding proposed on budget reduction proposal Youth delivery staff reductions (no proforma)	76	-
3.3	Reinstate the funding proposed on budget reduction proposals Review of Targeted Youth Services (no proforma)	24	-
3.4	Investment in crime prevention and improving public safety across the Borough	300	350
<b>Total Investment Proposals - 2018/19</b>		<b>400</b>	<b>422</b>
Alternative Budget - Savings Proposals			
Paragraph Ref	Proposal	£000	£000
3.5	Earlier resolution of disciplinary hearings	(3)	-
3.6	Reduced Sickness Absence through more robust absence management procedures	(13)	-
3.7	Review of car allowances paid as a lump sum	(13)	(37)
3.8	Reduction in the number of Agency staff, Interims and Consultants	(50)	-
3.9	Reduction in the Communication and Marketing team	(180)	-
3.10	Cease the Borough Life publication	(28)	-
3.11	Reduction in the number of hard copy committee papers	(5)	-
3.12	Reduction in the number of publications/leaflets produced in hard copy	(10)	-
3.13	Reduction in Council subscriptions, Professional affiliations and associated expenses	(31)	-
3.14	Increase in Bus Lane Enforcement	(90)	(90)
<b>Total Savings Proposals - 2018/19</b>		<b>(423)</b>	<b>(127)</b>
<b>Net Savings available to support the budget</b>		<b>(23)</b>	<b>295</b>

The report also considers other savings proposals that could be delivered for 2019/20 to either reduce cost or generate income. These are listed in the table below:

Paragraph Reference	Proposal	2019/20
4.1	Reduction in the number of Councillors from 60 to 40 and a review of the Electoral Cycle	(190)
4.2	Generation of income from highways advertising signs	TBC
4.3	Replacing traditional bulbs with LED in street lights	TBC
4.4	Convert Administration savings proposal 'General Training Budget' from a one off saving to an ongoing proposal	(150)

In total therefore as illustrated more fully at Appendix A, a net £0.023m could be used to reduce the reserve requirement in 2018/19 and a net £0.045m could be used to contribute to the budget reduction requirement for 2019/20.

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The report also notes the range of strategies the Administration has implemented in order to achieve transformational change within the Council. However the Liberal Democrats propose that these strategies should be directly linked to budget savings proposals or income generation targets to ensure that the proposed benefits are achieved.

## **Recommendations**

That the Overview and Scrutiny PVFM Select Committee recommends to Cabinet that:

1. The Investment and Savings proposals for 2018/19 as summarised at Appendix A are approved.
2. The work required to deliver the 2019/20 proposals is started immediately so the opportunity to generate savings in future years is not compromised.
3. Council strategies put in place to achieve transformational change are directly linked to budget proposals or income targets.
4. A review of the cost of providing the Council's statutory functions is completed to identify areas where further savings could be found in future years.

## Overview and Scrutiny Performance and Value for Money Select Committee

### Liberal Democrat's Budget Amendment Proposals 2018/19

#### 1 Background

- 1.1 As austerity continues, so does the requirement for Local Government to make savings as a result of continued funding cuts. Although the economic climate has improved and people are recognising the need to take responsibility for themselves, service demand for the most vulnerable is increasing and these functions are the most resource intensive areas of the Council. In an attempt to mitigate future funding cuts, the Administration has presented a series of savings proposals advising on how it proposes to deal with the budget gap in 2018/19.
- 1.2 In addition, a series of investments have been included within the Administration's budget report for 2018/19 to mitigate increased demand for services such as Children's Social Care, Adult Social Care and Homelessness, inflationary increases, legislative changes and other budget pressures.
- 1.3 The Liberal Democrats recognise the difficult choices that need to be made to ensure a balanced budget can be presented to Council and as a result accept the majority of the Administration's savings proposals for 2018/19. We have some reservations over the cuts proposed to youth focused services and these have been included in the alternative budget proposals as set out in paragraph 3.3.
- 1.4 The Liberal Democrats accept that the Council continues to operate in a challenging and uncertain environment with considerable uncertainty particularly around future Government funding. The information recently received alongside the Provisional Local Government Finance Settlement advised that instead of a 100% Business Rates Retention scheme, a 75% retention scheme would be introduced from 2020/21. Although this implies that there will be some element of Government grant support, the announcement does add to the uncertainty surrounding longer term financial forecasts that fall beyond the 2019/20 financial year which is the end of the current spending review period.
- 1.5 The impact of the Greater Manchester devolution agenda is still emerging, with further responsibilities and opportunities for devolution in Greater Manchester. As work continues with partners to integrate Health and Social Care, pressure is upon the Council to ensure it can support the most vulnerable residents in the most appropriate way.
- 1.6 National financial pressures such as the National Living Wage, reductions in Education funding and Public Sector Pay Awards have a significant impact on the Council's ability to meet the funding shortfall; coupled with demographic pressures within Children's Social Care and Adult Social Care render it inevitable to increase the Council Tax in 2018/19.

#### 2 Local Government Funding

##### Provisional Local Government Finance Settlement

- 2.1 The Provisional Local Government Finance Settlement (LGFS) was announced on 19 December 2017. It was issued by the Secretary of State for Housing, Communities and Local Government the Rt. Hon Sajid Javid MP, setting out the Government's formal proposals for the funding of English Local Authorities in 2018/19. The Provisional Settlement covers the period 2018/19 with indicative figures for 2019/20.

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- 2.2 The Provisional Settlement announcement provided limited additional resources for the Council and therefore did not have a significant impact on the budget reduction requirement. The key changes to expected funding levels were a small worsening in the New Homes Bonus Grant at a value of £0.071m, an increase in Housing Benefit Administration Grant of £0.439m and £0.016m increase in the Council Tax Administration Grant. In addition, alongside the Provisional Settlement, Councils were notified of a proposed methodological change to recognise and compensate in 2017/18 for the impact of changes to the Small Business Rates Relief thresholds. This compensation is estimated to be at a value of £1.000m and will be used to support the 2018/19 budget.
- 2.3 The Liberal Democrats accept the Council's decision to increase planning fees by 20% in line with information that accompanied the Provisional LGFS with any additional income being reinvested back into the planning service. The Liberal Democrats would support the introduction of a 100% charge on empty properties when the legislation is enacted.

### **Council Tax and Adult Social Care Precept**

- 2.4 The Government has made changes to the Council Tax referendum principles for 2018/19 and 2019/20. This was in response to calls from the Local Government sector to have freedom around Council Tax setting and be accountable for those decisions.
- 2.5 In recognition of this, as well as higher than expected inflation levels, the Government set out to strike a balance between addressing service pressures and giving Council Tax payers the final say over excessive increases as per its manifesto commitment. The Government has decided to set the core referendum principles in line with inflation (at 3%) for all Authorities, with further flexibilities for Police and Crime Commissioners and Mayors with devolved powers, in 2018/19 and 2019/20.
- 2.6 This gives the Council the option to increase Council Tax to this level before triggering a referendum. However, Oldham currently (2017/18) maintains the 6th highest level of Council Tax within metropolitan districts. Although the implementation of an additional 1% increase to take advantage of the above change in the Council Tax referendum principles would increase the long term financial resilience of the Council and would raise an additional £0.836m, we believe that the use of reserves set out in the Administration Budget is not unreasonable at this stage given the overall level of reserves held, following consultation with the Director of Finance. The Liberal Democrats are content with adopting the Administration's decision not to raise Council Tax beyond the 1.99% which the Administration has proposed in order to present a balanced budget for 2018/19.
- 2.7 The Adult Social Care Precept flexibility will remain the same as previously announced, although the Precept could be increased to 3% from 2017/18; however, the total precept must not exceed 6% by the end of the three year spending review to 2019/20. Councils may choose to vary the increases over the three years as long as a 3% increase is not exceeded in any one year. The Administration is proposing to continue to apply the Adult Social Care Precept evenly at a 2% increase each year which is adopted by this Budget.

### **Adoption of previous Liberal Democrat budget options**

- 2.8 The Liberal Democrats are pleased to see that the Administration have, over several financial years, adopted a number of Liberal Democrat savings options either in full or in part. This includes:
- Reducing the publication of the Borough Life magazine
  - Streamlining of Council Tax communications
  - Reviewing and reducing the use of consultants
  - Reducing the 2018/19 Public Health budget (the Liberal Democrats rejected the Administration's 2017/18 proposal to top up funding for the Public Health service)

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- Allocating additional resources to the highways maintenance programme (further detailed below in paragraph 2.9)

### **Highways and other investment**

- 2.9 As the Opposition holding this Administration to account, proposals have been previously submitted in the Liberal Democrat Alternative Budget which have recommended additional resources to be allocated to the highways maintenance programme to offset the decline from previous underinvestment. The Liberal Democrat Alternative Budget for the financial year of 2016/17 was submitted with a budget proposal recommending an additional investment of £5.000m be added to the capital programme for the 2016/17 financial year. This would, amongst other matters, have improved drainage through the replacement of road gully castings, where required, along the carriageways on the programme, and therefore enhanced the resilience of resident's properties from future flooding. A further option proposing an additional investment of £5.600m was also put forward in the 2017/18 Alternative Budget. It is therefore pleasing that the Administration, once again, have adopted a Liberal Democrat proposal albeit it two years after it was originally submitted. It is also pleasing that the Administration have adopted the Liberal Democrats suggestion of two years ago that this is a priority area for capital investment by announcing a £6.200m investment across the first two financial years of a multi-year programme.
- 2.10 This budget supports the review of the Minimum Revenue Provision policy undertaken by the Director of Finance in accordance with best practice as recently published by the Ministry of Housing, Communities and Local Government (MHCLG). This enables the Liberal Democrats to recommend an investment proposal to allocate an additional £5.000m on highways schemes to the capital budget to supplement the funding allocated to improve the Borough's highways in areas such as drainage etc. This would be at no cost to the revenue budget for 2018/19 with annual costs in the region of £0.072m per annum from 2019/20.
- 2.11 This Alternative Budget gives the Administration the opportunity to implement the other efficiencies suggested by this report and to reinstate the proposed reductions to the Youth Service Budget.

## **3. 2018/19 Proposals**

- 3.1 The Liberal Democrats propose a number of specific budget amendments to be considered by Council Members this year. These are split into:
- Investment in highways and reinstating proposed funding reductions for the Youth Service.
  - Investing revenue resources into a centrally held fund to support activities which will increase crime prevention, improve public safety and tackle environmental crime across the Borough.
  - Savings proposals where it is considered individual service areas can make new or additional savings in order to fund to the Investment proposals and reduce the level of reserves required to support the budget.

### **Investment Proposals**

#### **3.2 Highways capital investment**

It is proposed to invest an extra £5.000m in 2018/19 on a targeted programme of capital works to supplement the approved Highways works programme. These additional works will focus on the Secondary Corridor, Accident Prevention Areas and a variety of Footways. The revenue implication of borrowing will be at a value of £0.072m per year over the financing period. Further details on costs can be found at Appendix B.



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### **3.3 Reinstatement of the funding on the Administration budget savings proposals for Youth delivery staff reductions and Review of Targeted Youth Services (£0.100m)**

There are two proposals included within the Administration budget for 2018/19 which relate to cuts in youth services, details of each proposal are provided below. The Liberal Democrats are concerned that by reducing the support and services that young people within the Borough have access to, there will be wider social dis-benefits leading to increased anti-social behaviour and increased pressure on an already overburdened Children's Social Care Service. Therefore the Liberal Democrats propose to reinstate the funding for each of these proposals.

#### **Youth delivery staff reductions (£0.076m)**

This proposal relates to services provided by Mahdlo. The Liberal Democrats are supportive of the two Youth Development Workers transferring to Mahdlo but would reinstate the funding for these posts on the proviso that a fully documented Service Level Agreement (SLA) which is currently not in place, is produced with the Council subject to annual review. This SLA must include a requirement for Mahdlo to provide a minimum of one youth session per week in each district within the borough which should be funded from the core budget the Council allocates to the service provider.

#### **Review of Targeted Youth Services (£0.024m)**

The second proposal is to reduce the Positive Steps Oldham contract through the review of Integrated Youth Services (£0.024m).

It is proposed to review the 'basket' of youth services provided by Positive Steps as follows:

- Youth Justice/Youth Crime Prevention
- Careers Advice and Guidance with Vulnerable Groups
- Support to Young Carers
- Young Peoples Sexual Health and Substance Misuse Services
- Young People Missing from Home Return Interview Service

The reinstatement of this funding should be focused on area based youth work within each of the Districts.

### **3.4 Investment in crime prevention, improving public safety and tackling environmental crime across the Borough (£0.300m)**

The Liberal Democrats propose to create a centrally held fund to support activities for crime prevention, improving public safety and tackling environmental crime. Access to this fund would be via a business case submission which would be reviewed and if successful, funding allocated to deliver the agreed activity. It would provide individual districts the opportunity to bid for investment such as CCTV, Alleygates and initiatives to support local communities to enhance local areas. The fund would be at a value of £0.300m in 2018/19 with an additional investment of £0.350m in 2019/20.

#### **Alternative Savings Proposals**

### **3.5 Earlier resolution of disciplinary hearings (£0.003m)**

In 2017/18 approximately £0.075m (an increase on the previous five year average of £0.040m) has been paid in staff salaries to employees that are suspended whilst awaiting the progression of their case. An earlier and swifter resolution to disciplinary hearings would result in cashable and non-cashable savings. Not all posts are backfilled for suspension; generally only 20% are backfilled and these posts are those relating to front

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line services. An estimate of £0.003m cashable savings pro-rata across the Council could be realised as a result of an earlier resolution with a much higher further % relating to efficiency gains.

### **3.6 Reduced Sickness Absence through more robust absence management procedures (£0.013m)**

The Council has introduced increased rigour into the managing absence process and has an established Fit for Oldham programme. However after reviewing the available data the Liberal Democrats feel that additional savings could still be made from reducing the average sickness per FTE.

Previously, the Council piloted a scheme whereby the first call from an employee who was off sick, was to a qualified nurse who asked specific questions around the employees absence and recommended alternative solutions to reduce the length of sickness. The pilot had mixed success across different service areas of the Council however, the Liberal Democrats propose a reinstatement of this scheme funded by savings made through reducing sickness absence. In Watford Council's case they have seen a 44% reduction in absence with a rolling 12 month absence rate of 2.04%. Last year the Liberal Democrats proposed a saving of £0.013m from the 2017/18 budget and as a result of the more robust processes described above it is expected that this would be achievable for 2018/19.

### **3.7 Review of Car Allowances Paid as a Lump Sum (£0.013m)**

The Liberal Democrats support the current review into the payment of lump sum car allowances paid to officers for official duties. We however believe it should be given priority to support the 2018/19 budget process even if this achieves a part year saving. A Freedom of Information request submitted to the Council showed that over £0.260m was paid in 2016/17 as lump payments, £0.184m of which was paid to employees who subsequently travelled fewer than 1,000 miles during the year. To date for 2017/18 £0.216m has been paid to 568 officers. Although the construction and administration of the car allowance scheme is agreed with the relevant Trades Unions, the Liberal Democrats believe that the planned refresh of the information held on essential car users could achieve a saving at least equal to a minimum of the £0.013m stated above in 2018/19 with a full year saving of £0.050m achievable in 2019/20.

### **3.8 Reduction in the number of Agency Staff, Interims and Consultants (£0.050m)**

Agency staff are those that are used to cover short term absences e.g. while vacant posts are being filled, sickness cover etc. and they cover an already established post that is budgeted for. They usually cost more than the employee as they include Agency on-costs, and if engaged via the Agency framework, an on-cost for the framework provider.

Interims are staff that are used to cover vacant posts, usually while considering whether to fill the post or not, or to restructure. They can cover for long term absences e.g. long term sickness or maternity leave. They can be used to cover an already established post or a new post while a wider review of a service or structure is being undertaken. They can be engaged via a number of ways e.g. an agency placement, a self-employed contract, a recruitment process or acting up arrangement. Depending on the method of engagement the cost can vary.

Consultants are staff engaged on a specific project or piece of work, usually time limited. They do not cover an already established post and are usually brought in for their expertise that is lacking from within. They can be engaged on grant funded projects and capital projects where their costs are recharged to the particular project or on invest to save projects where their cost is offset by a later saving. They can also be engaged on projects



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that do not have any offsetting funding or saving and this will usually be for a specific piece of work e.g. to assess the impact of something i.e. a new piece of legislation.

The proposal is to reduce the costs of agency staff and Interims where their costs are higher than any savings made through vacant established posts. For 2017/18 the Administration agreed a £0.100m reduction in the use of external support staff and the Liberal Democrats now recommends that an additional £0.050m could be saved from a further reduction in Agency staff and Interims.

### **3.9 Reduction in the Communication and Marketing team (£0.180m)**

The Communication and Marketing team ensures that key messaging about Council services, decisions and campaigns are accessible to all of the Borough's residents, staff and partners. There are a number of non-statutory functions that the team undertake and the Liberal Democrats propose that this work is ceased. With a focus on delivering statutory functions only, a total of 4 FTE's can be removed from the establishment at a value of £0.180m.

### **3.10 Cease the Borough Life Publication (£0.028m)**

For 2018/19 the Administration are proposing a permanent reduction in the number of Borough Life publications from four editions per annum to three. The Liberal Democrats are extending this further by proposing that the Council ceases production of the Borough Life magazine with statutory information being communicated via other media channels. This reduction would make an additional permanent saving of £0.028m.

### **3.11 Reduction in the number of hard copy committee papers (£0.005m)**

As the public expectation and requirement is that the Council becomes more digital, as Members we must lead by example wherever possible and reduce printing external committee papers. Reports on some public meeting agendas can be quite lengthy as sometimes publications, appendices and background documents that Members are asked to consider in taking a decision or approve are printed with the meeting papers. All committee papers are available electronically as a matter of course and are sent via the Modern.gov system to Members for each meeting they attend.

It is appreciated that it not always possible to be fully digitalised but where appropriate printing of committee papers can be reduced. The Liberal Democrats recommend a review of these papers to be undertaken with a view to making savings of £0.005m in 2018/19.

### **3.12 Reduction in the number of publications/leaflets produced in hard copy (£0.010m)**

The Liberal Democrats propose to extend the Administration's 2017/18 budget reduction to save £0.150m on housekeeping by a further £0.010m by reducing the number of hard copy publications and printing of leaflets. It is recognised that there are already Administration proposals in 2018/19 to permanently reduce the number of Borough Life publications and reputation trackers alongside some non-pay budget reductions.

As the public requires the Council to become more digital there is less of a need to print items for public usage. The Council already uses social media to advertise and it holds electronic copies of most, if not all of the publications on the Council website. It is recommended that further savings could be made by not producing hard copies of publications, especially in glossy, colour and photographic formats.

This is not restricted to corporate communications but applies to all leaflets and publications that the Council produces. As the Council moves to more digital communications we propose that an additional £0.010m could be saved on printing costs across the organisation.

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### **3.13 Reduction in Council subscriptions, Professional Affiliations and Associated Expenses (£0.031m)**

The Council has reduced the number of Corporate Subscriptions it held for publications, magazines, websites etc. across its various directorates. Following this action the Liberal Democrats recommend that the budget for all Council subscriptions, professional affiliations and associated expenses be reduced by a further 10% (£0.031m).

### **3.14 Increase in Bus Lane Enforcement (£0.090m)**

As part of the budget setting process for 2017/18, the Administration agreed an option with regard to bus lane enforcement for 3 routes within the Borough. It is proposed to increase this enforcement to another 4 routes (5 areas) that have flow bus lanes in operation.

To enable the implementation of this budget reduction, the relevant infrastructure will need to be purchased or put in place i.e. purchase of cameras (capital), maintenance, signage, highways works, advertising and reviewing of CCTV (revenue). Any revenue costs, including the revenue implications of the capital expenditure, will be offset by income generated by Penalty Notice Charges (PCN's) issued.

Based on income received to date for the bus lane enforcement currently in place, the Liberal Democrats propose that net revenue savings could be made on the above routes at a value of £0.180m per annum (circa £0.036m per bus lane).

Due to the infrastructure required to implement this option and the length of time this will take, it is proposed that a part year reduction of £0.090m is applied in 2018/19 with a full year saving being achieved in 2019/20.

## **4. Proposals for implementation in 2019/20**

In addition to the savings proposals for 2018/19, we are recommending a series proposals for 2019/20 in order to make reductions or generate income to support the future year's budget. Due to the lead in time for these proposals, it is imperative that work is commenced on these immediately so that a full year's saving can be realised in 2019/20.

### **4.1 Reduction in the number of Councillors from 60 to 40 and a review of the Electoral Cycle**

The proposal is to reduce the number of elected members from 60 to 40. The current basic allowance is £0.009m per annum and therefore this would represent a saving of £0.190m per annum. The proposal would take at least 12 months to come to fruition and would be dependent on Boundary Commission timescales. Therefore the proposal should be commenced immediately so that savings can be achieved in 2019/20.

In addition the Liberal Democrats propose a change to the frequency of the electoral cycle, which is currently set at three elections held within a four year period and one fallow year. The proposal is to change this to one election every other year, with a saving of one election and £0.100m over the four year period.

### **4.2 Generation of Income from highway advertising signs (no proforma)**

The proposal is to erect further advertising signs in strategic areas e.g. A627m, By-Pass and main roundabout. Other Council's use advertising in this way and either use static or rolling and digital advertising, which enables more than one advertiser at any time. The Council could generate additional income from the additional advertising to support the financial sustainability of the Council's budget.

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In order to consider new advertising there would be a long lead in time to any income being generated. Therefore it is recommended that the Council commence a project to undertake this in order that income can be generated from 2019/20.

#### **4.3 Replacing traditional street lighting bulbs with LED's (no proforma)**

The Liberal Democrats propose a phased programme of change to the Borough's street lights by replacing conventional lighting bulbs with which are more energy efficient and require less maintenance. This proposal would require contract renegotiation and agreement and would not come to fruition until at least 2019/20. It is recommended that the Council commence negotiations with the service provider to support the installation of LED's in order to generate savings in 2019/20. A motion passed by the Liberal Democrats highlighted that an estimated £200.000m per year of savings could be made by Councils by switching all street lights to LED bulbs as well as the significant environmental benefits that could be achieved.

#### **4.4 Convert Administration savings proposal 'General Training Budget' from a one off saving to an on-going proposal (no proforma)**

The Administration have proposed a one-off £0.150m reduction to the General Training Budget as part of their 2018/19 budget. This was also proposed as a one off saving in 2017/18, therefore the Liberal Democrats believe that this can be made into a permanent reduction.

### **5. Proposed changes to the budget setting process**

5.1 The Council received a four year funding settlement from the Government after submission of an Efficiency Plan in September 2016. This funding guarantee was for the period 2016-2020. The Council's current budget setting process looks at the four year timeframe 2018/19 to 2021/22, although the current budget round has identified few savings for 2019/20. This is not effective for the long term financial sustainability of the Council and there is no longer any low hanging fruit to be taken. The Council needs to focus on achieving transformational change based on specific outcomes in order to maintain its financial sustainability in a changing and uncertain environment.

5.2 By their nature, long term transformational savings take time to come to fruition and can involve projects such as new build, acquisitions, alternative service delivery vehicles, substantial regeneration and a significant step change to tackle demand. We support a programme of transformation following the principles set out in the Council's accepted Efficiency Plan, with a series of change projects led by senior officers within the Council that delivers:

- A programme of significant savings from doing things differently
- Future and sustainable income generation
- Economic benefits to promote the borough
- A programme of new builds that considers non-social housing, the needs of the ageing population and the most vulnerable and social hubs that combine a variety of Council services in one accessible place
- Cost avoidance measures by investing to avoid future pressures
- Services via an alternative provision where relevant to release capacity, increase efficiency and potentially deliver savings.

5.3 The Liberal Democrats note the progress the Administration has made with developing strategies to support the above principles such as the:

- Income Strategy
- Corporate Property Investment Strategy

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- IT Strategy
  - Housing Strategy
  - Traded Services Review
  - Health and Social Care Integration
  - Town Centre Master Plan / Regeneration

5.4 These strategies will ensure the Council continues to have a robust long term plan for financial sustainability. However the Liberal Democrats believe that where it is appropriate these strategies should be linked to budget savings proposals or have firm targets in terms of income generation.

5.5 In determining its priority outcomes, future resources can be targeted to highest priority areas with consideration of whether lower priority functions should still be provided at all or in the same way. Clarity of the cost of providing the Council's statutory functions would help any ongoing budget review and it is recommended that this is completed to identify areas where further savings could be found in future years.

## **6. Director of Finance Comments**

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

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

## **7. Options/Alternatives**

7.1 To consider the investment proposals and savings proposals for 2018/19 and the savings proposals for 2019/20. The options are to:

- Accept all of the recommendations of the report
- Accept some of the recommendations of the report
- Reject all of the recommendations of the report

## **8. Preferred Option**

8.1 The preferred option is to accept all of the recommendations.

## **9. Consultation**

9.1 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.

## **10. Financial Implications**

10.1 The financial implications are included within the report.

## **11. Legal Services Comments**

11.1 None at this time.

## **12. Co-operative Agenda**

12.1 Investment and Savings proposals have been considered in conjunction with the Councils Co-operative Agenda and there are no adverse impacts.

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### **13. Human Resources Comments**

13.1 Any proposed revisions to employment policy and protocol must be fully considered and consulted upon as follows:

- Further detailed analysis, plus policy implications, with feasibility of options would be discussed with the Director of People, then consulted in line with the following process and accessed viability
- Strategic consideration and authority to open consultations
- Strategic and early engagement with the recognised trade unions
- Inclusion, if appropriate, in a potential Section 188 notice in accordance with the Trade Union Labour Relations Act
- Release for public consultation
- Opening of formal trade union then staff consultations including directly with any individuals affected
- Council approval
- Implementation

(Corrina Sutton)

### **14. Risk Assessments**

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

### **15. IT Implications**

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

### **16. Property Implications**

16.1 There are no specific property implications associated with the proposals.

### **17. Procurement Implications**

17.1 Any procurement implications will be considered as and when any procurement decisions are required if the proposals are accepted. There are no immediate adverse procurement implications associated with the proposals. (Joe Davies)

### **18. Environmental and Health & Safety Implications**

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

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

19.1 There are no equality, community cohesion and crime implications associated with the proposals.

### **20. Equality Impact Assessment Completed**

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

### **21. Key Decision**

21.1 No.

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## **22. Key Decision Reference**

22.1 Not a Key Decision.

## **23. Background Papers**

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

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

## **24. Appendices**

24.1 Appendix A: Summary Alternative Budget Proposals.  
Appendix B: Business Cases for Investment and Savings Proposals.