

**Oxfordshire County Council
16 February 2016
Leader of the Opposition Overview**

Each year setting the budget for the County Council becomes more and more difficult. Cuts made in previous years mean that we have reduced resources across all Directorates to respond to the budget making process, but despite that, Lorna Baxter and her officers in Finance and officers across all Directorates have worked tirelessly over many months to get us to a position where we could balance the books and for that we thank them.

The background to setting this budget has been difficult to an unparalleled degree. It is not just the case that Central Government has yet again imposed massive cuts on Local Government and in particular on County Councils (who are also facing unprecedented growth in the demand for Adult Social Care, Children's Social Care and for services to keep both vulnerable adults and children safe), but also the way in which it has done it. A week before we have to set a budget we are still waiting for the final settlement to be agreed by Parliament, and the Prime Minister acting as a local MP has felt the need to get involved by telling campaigners that Oxfordshire didn't need to make cuts.

Oxfordshire has agreed cuts of £292m from its budget since 2010 with now another £69m of cuts imposed over the next 4 years. After the Autumn Statement it was assumed that the cut at worst would be £50m: this was set out in the budget proposals which went out for public consultation. The Performance Scrutiny Committee considered these proposals and, in response to the consultation and the presentations of those concerned about the cuts, agreed to ask Cabinet to reconsider some £10m worth of changes should the financial situation be better than anticipated. Little did we know that in fact Central Government had changed the formula which it had previously used to allocate the Revenue Support Grant and within less than 24 hours we found out that, rather than having a better settlement, it was worse by £22m. Oxfordshire was hit because like many County Councils it relies less on grant and more on Council Tax. Restrictions, however, remained on the level of council tax Oxfordshire County Council can raise.

If Oxfordshire were able to adjust the Council Tax to better reflect people's ability to pay, for instance by raising the tax on the top 2 bands of property, by removing the single person relief, for those who do not claim any form of benefit, and by increasing significantly the tax on second homes. This income would go a long way to alleviate the need to make any of these cuts; cuts which will leave some of those most disadvantaged without the support they need:

- Carers of children with progressive and life threatening diseases, challenging behaviours or severe learning or physical disabilities or both who rely on respite care
- Carers of adults with dementia who need to be constantly watched, or older people suffering illness and disability.
- Lonely isolated elderly people who live in both urban and rural communities and will be stranded by cuts in bus subsidies and without the support of day centres.
- Young single parents, often living in inadequate housing who will be denied the services provided by a local Children's Centre
- Troubled teenagers trying to navigate their way into adulthood as the services provided by the EIS Hubs disappear.

The services we are cutting were originally put in place to support these people and to show empathy and humanity which is the bedrock of a civilised nation and has been the cornerstone of democratically elected representative Local Government for centuries. These are the British Values the Labour Group espouse. Oxfordshire is one of the wealthiest Counties in Britain and we should be allowed to determine how we as elected representatives of the people fund the services needed for the least wealthy.

The Prime Minister of this country is trying to have his cake and eat it. He tells both campaigners and this County Council and its officers that these cuts aren't necessary and that it is ineffectual governance in Oxfordshire which has caused this dilemma. When, in fact, it is Central Government since 2010 which has put the burden of reducing the deficit caused by the need to bail out ineffectually managed banks firmly on the shoulders of Local Government and the people it supports. His involvement in our budget making process has been unwelcome and some might say duplicitous. We in the Labour Group know how hard our officers have worked with ever decreasing budgets to try to alleviate the effect of cuts and yet again they have had to put together another long list of cuts which damage the services they manage, work in and care about. They have done this in an atmosphere of threat and intimidation to all Councillors of the consequences of not setting a legal budget and intimidation by the MP for Witney continually telling them and the Oxfordshire Conservative Councillors that they don't need to make these cuts. How can that be when all other County Councils are in the same boat concerning these draconian measures?

We have growing numbers of adults in the County who require care. Many older people rely totally on the County Council to provide that care and morally and legally we have no choice but to make sure there is enough money to pay for it. The Government is allowing us to increase the Council Tax by 2% for Adult Social Care and the Labour Group support this increase. However, this will hardly even cover the additional cost of the National Living Wage. Care workers are among the lowest paid workers in the County and their jobs are crucial. In a thriving economy like that of Oxfordshire increasingly there is the threat that we will not be able to recruit enough people to do this work, leaving Europe will make this even worse.

The Labour Group, although desperate to find the money to stop the cuts being made, decided not to have a costly referendum which if not supported could end up with another £800k of cuts needing to be found. The Council Tax was set to go up in any case by at least 4% or £1 a week and would disproportionately affect those already struggling in poverty. They will be paying more for fewer services. Most of those responding to the consultation and wanting to stop the cuts showed no appetite for a larger increase in Council Tax.

The Labour Group in putting together their budget were acutely aware that they would have to do it within the parameters allowed by national government rather than as devolved local government which had the power to appropriately increase the income from Council Tax to fund the services needed in Oxfordshire.

I thank the Labour Group who despite the enormous challenge went through the cuts line by line and found ways to find some money which would make a small difference to a few people; in particular to those children, families and young people affected by the previous cut to the Children's Centre and EIS budget, families caring for our most vulnerable children, and for older people living in rural and urban isolation

I will end by thanking Nick for all the work he has done and asking him to go through the detail of the Labour Group's amendments.

Recommendations

The Council is RECOMMENDED (in respect of revenue) to:

- (1) In relation to recommendation (c)(2), approve a budget for 2016/17 as amended in Labour Group Annex 1;**
- (2) In relation to recommendation (c)(3), approve a medium term financial plan for 2016/17 – 2019/20 as amended in Labour Group Annex 1;**
- (3) Request the Leader of the Council to write to the relevant Secretary of State to demand an amendment to the council tax and precept formula regulations to better reflect the ability to pay because the outdated and centrally controlled system we have in England has led to the cuts we are now experiencing.**

Liz Brighthouse.
Leader of the Labour Group

Labour Group Budget Amendments 2016/17 to 2019/20

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	TOTAL £'000
Cabinet Net Pressures (+) / Savings (-)	0	6,374	6,169	-1,250	11,293
Proposals to remove cuts/increase spending:					
SCS10 Do not cut funding for respite care but still seek to shift focus to respite at home		100			100
SCS21a Do not make £300k saving in 2016/17 and defer saving proposed for 2017/18	300	450		-450	300
SCS21b Retain Tier 3 Day Services		2,050			2,050
SCS21c Transport to Day Centres still needed		200			200
SCS22 Defer housing related support saving		500		-500	0
CEF12 - Create a one off pump priming fund for one year to take to Districts and parishes, inviting them to commit money to support Children's Centres which they would help save	1,000	-1,000			0
CEF12 -Do not make additional cut in 2017/18		2,000			2,000
CEF13 Do not make cuts in short respite breaks		250			250
CM34 put £750k of Transition Fund into reserve for use in 2017/18	750	-1,500	750		0
Workplace Parking Levy - to be spent on public transport subsidies and/or infrastructure. Pre fund a field worker to survey all the area to be covered		50	2,200	2,250	4,500
*Secure outline planning permission on suitable sites for housing, sell where appropriate when value maximised, and use receipts to identify and develop extra care housing and in county places for difficult to place children					0
Proposals for extra savings:					
CEF5 Increase charge to schools which are converting to academies to raise £200k rather than £100k	-100				-100
EE24 bring forward to 1 October 2016 so that £547k is available in 2016/17 but saving in 2017/18 is then only £547k. Saving is subject to LEAN work being completed on time	-547	547			0
CS1 Extend review of council structure to cover all grades. Target is to increase total saving from £500k to £1.030m by 2017/18 while recognising that it may take nearly a year to determine changes, consult and then implement	-130	-400			-530
CS1a Review Councillor roles. Reduce number of cabinet posts from 9 to 6 saving £50,000 plus £8,000 for shadows; reducing basic allowance to £698.08 per month for all members Reduce number of cabinet posts by 3 & reduce basic allowance to £698.08 pm for all members	-170				-170
CM34 reduce Transition Fund to spend in 2017/18	-750	750			0
Use part of the Efficiency Reserve to allow for time taken by districts and parishes to share the costs of Children's Centres	-353	353			0
*Hard-nosed review of office accommodation and more proactive approach to land assets with a view to financing more extra care housing and more places in county for difficult to place children					0
Workplace Parking Levy - to be introduced in 2 stages at £375 per space for every employer in the city including the Science Park with 10 or more spaces. Modest requirement since 39,000 people use cars as their main means of getting to work in Oxford and annual charge would be £375 at today's prices. Potentially this might realise up to £6m per annum but allow for uncertainties			-2,250	-2,250	-4,500
Total Amendments	0	4,350	700	-950	4,100
Revised Net Pressures (+) / Savings (-)	0	10,724	6,869	-2,200	15,393

*land and buildings developments to be self financing