



**County Council
Tuesday, 16 February 2016**

ADDITIONAL PAPERS

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Agenda Item 9



**OXFORDSHIRE
COUNTY COUNCIL**

Date: 12 February 2016

**Corporate Services
County Hall
New Road
Oxford OX1 1ND**

**Deborah Miller
Law & Governance
Democratic Services**

Dear Councillor

Additional Papers for Council – 16 February 2016

I enclose the following additional papers in relation to item 9 (Service & Resource Planning 2016/17):

- Updated Section 4.3 – Council Tax Precepts
- Amendments by the Labour and Green Groups (CC9 Labour) and (CC9 Green);
- A statement from the Liberal Democrat Group in relation to the Cabinet's Budget Proposals (CC9 Lib Dem);

Paper copies will be provided to all Members on the morning of the meeting.

Yours faithfully

Deborah Miller
Committee Officer
For and on behalf of Nick Graham
Chief Legal Officer & Monitoring Officer

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Council Tax and Precepts 2016/17

Council Tax Data

1. In order to set its budget for 2016/17, the council needs to calculate its council tax requirement. This is the amount that the council needs to raise from council tax to meet its expenditure after taking account of the income it will accrue from the following
 - (a) the amount to be received from specific grants.
 - (b) the amount to be received from Revenue Support Grant and the Business Rates Top Up under the Business Rates Retention Scheme.
 - (c) the amount to be received for the County Council's share of Non-Domestic Rating Income.
 - (d) any surpluses/shortfalls on the council tax collection funds for earlier years and the estimated position for the current year.
 - (e) the amount expected to be received from fees, charges and contributions.
2. In order to set its council tax for the forthcoming year, the council needs to calculate its council tax requirement and have available the council tax base, expressed in terms of Band D equivalent properties.
3. Based on the final information on funding and assuming a council tax requirement of **£305,896,875** as shown in the proposed Medium Term Financial Plan (Section 4.1) the calculation of the Band D Council Tax for 2016/17 is as follows:

Council Tax Calculation 2016/17

	£m
County Council net expenditure after specific grants	417.461
Less: Revenue Support Grant	-39.331
Business Rates Top Up	-37.394
Non-Domestic Rating Income	-29.886
Council Tax Collection Fund Adjustments	-7.015
Business Rates Collection Fund Adjustments	2.062
Council Tax Requirement (R)	305.897
Council Tax Base (assuming losses on collection) (T)	238,676
Band D Council Tax (R/T)	£1,281.64

The calculation of the council tax for the other bands is shown below in Table 1. Table 2 analyses the tax base over each district council area and allocates the estimated County Council precept to each area relative to their tax base.

Table 1

Council Tax by Property Band for Oxfordshire County Council

Assuming a Band D council tax of £1,281.64, the council tax for other bands is as follows:

Property Band	Property Values	Band D Proportion	2016/17 £ p
A	Up to £40,000	6/9	854.43
B	Over £40,000 and up to £52,000	7/9	996.83
C	Over £52,000 and up to £68,000	8/9	1,139.24
D	Over £68,000 and up to £88,000	9/9	1,281.64
E	Over £88,000 and up to £120,000	11/9	1,566.45
F	Over £120,000 and up to £160,000	13/9	1,851.26
G	Over £160,000 and up to £320,000	15/9	2,136.07
H	Over £320,000	18/9	2,563.28

Table 2

Allocation of Precept to Districts

The County Council precept (£305,896,875) is the sum of the council tax income required to fund the Council's budget.

District Council	Tax Base Number	Assumed Precept Due
		£
Cherwell	50,357.10	64,539,673.64
Oxford City	43,665.10	55,962,938.76
South Oxfordshire	54,965.00	70,445,342.60
Vale of White Horse	48,176.90	61,745,442.12
West Oxfordshire	41,512.03	53,203,478.13
TOTAL	238,676.13	305,896,875.25

Formal approval is required under the council tax legislation for:

- The County Council's precept, allocated to district councils pro rata to their share of the council tax base for the County Council;
- The council tax figures for the County Council for a Band D equivalent property and a calculation of the equivalent council tax figure for all other bands.

The information must be given to district councils by 1 March 2016.

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

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**Oxfordshire County Council
16 February 2016
The Green Budget Amendment 2016/17**

The Dented Shield

Our objective is to generate the money to preserve front line services and put back the cuts that will be false economies or will have a severe and dramatic direct effect on the most vulnerable people in the County.

It is our intention through a series of reductions in councillor's allowances, senior officers pay and changes to the management and governance of the County plus a modest increase in the council tax of 3.01%, to generate enough income to refocus the burden of the cuts away from those who will suffer the most. However, given the scale of the cuts that are being introduced, £69 million over a four year period, we cannot hope to restore all the cuts that are being made and where these have been designated as efficiency savings rather than cuts or where there is some hope of an alternative funder we have kept the original officer recommendations.

Our budget sees a return to the level of Councillor's Allowances that existed in 2014 cutting out the increase that was introduced in 2015. It was not the time for such an increase when services are being so severely stretched. Our budget also sees a return to the senior officers pay scale of 2014 that was deemed adequate then before a pay hike which was unjustified in a local Government system that will have shrunk by one third over a 5 year period. Cutting back the number of politicians in the Cabinet that run the County by 3 also reflects the fact of diminished responsibilities. These moves alone will generate over £1m of savings over 4 years that most will agree are justified.

The Green budget also sees much more joint working with other councils and more enterprising use of Council facilities and expertise.

Another way of trying to generate income to fund services is to increase car park charges in car parks and controlled parking zones. The Tories running the County are willing to totally withdraw the small subsidy that underpins buses operating in various rural villages and to let the service collapse leaving people isolated. The Green budget links the small increase in car park charges to fund the rural bus services and the Dial a Ride service for the disabled. The two are linked in the Green budget so the money from one supports the other.

Increasing the council tax by 7%, 3.01% more than the figure in the proposed budget is not an easy thing to suggest, wages in Oxfordshire only rising by 2 or 3% this year on average. However many Oxfordshire people know that the Government have cut the revenue support grant to the County by many, many millions and the only realistic way of trying to hold together the essential services that everybody needs is to increase the rate slightly above the level of the rise in local earnings. Even so, the average council tax payer will still only be paying an extra 72p per week a sum the Green Party consider can be presented to

the people of Oxfordshire with a good prospect of gaining support in a referendum. We consider that people are now aware that limited increase is justified and it is the only way if their vital services are to be preserved.

The bulk of the spending in the Green budget is focused trying to restore the massive cuts that are being focused on Adult Social Care. Over five million pounds in 2016/17 alone will be taken from the care of the elderly, the disabled, the homeless and the poor with a malicious attack on the most vulnerable. The Green budget stops the cuts to the carers, the disabled, the closure of homeless hostels and those suffering from dementia. How we treat those who cannot help themselves is a mark of how civilised a society we are and the Greens cannot turn their back and cry crocodile tears on those who suffer.

Essential to the Greens budget is providing enough to keep open ALL of the Children's Centres who do such a wonderful service to parents and children through the County. This is not simply because to destroy the service in the way suggested is unjust but like many of the cuts, is a totally false economy in that closure will destroy many families and more children will end up in care costing the County even more than the original cut.

Protecting children's services is a vital part of the green budget and that is why we are suggesting that grants to Children theatres are not cut and the special schemes to help disabled children and their carers continue. Children are only young once and to deny them access to fulfilling experiences is to deprive them of a life.

We recognise that the cuts as they bite will cause distinct unforeseen emergencies in social care so we have established an emergency crisis fund of £1.5m that will be used to stop immediate traumas that will arise as the sharp reductions in all departments are implemented. Such a fund will be vital to alleviate the suffering by distinct vulnerable groups that inevitably will emerge.

The Green capital projects are not focused as with the Tories on wasting more money redesigning roundabouts and building another generation of new Park and Rides. Such things are for when the funding crisis is not so severe. The Greens want to cash in on grants that are available to insulate council buildings and saving energy via insulation schemes. They also want to move the County to provide some real progress by having European style road cycle networks that will be safe and fast for cyclists. Plus generating more parking solutions via an extra controlled parking zone.

The Green budget is design to provide for those most in need and to protect our environment. It is to protect people who need our help and the County that we love.

Recommendations

The Council is RECOMMENDED to:

- a) (in respect of revenue) approve:**
 - 1. the council tax and precept calculations for 2016/17 set out in Annex 1 and in particular:**
 - i) a precept for 2016/17 of £314,749,372; and**
 - ii) a council tax for Band D equivalent properties of £1,318.73**
 - 2. a budget for 2016/17 and medium term financial plan for 2017/18 – 2019/20 as amended in Green Group Annex 2;**
- b) (in respect of capital) approve:**
 - 1. A Capital Programmes for 2015/16 to 2019/20 as amended in Green Group Annex 3.**

Cllr David Williams
Leader of the County Green Group

Council Tax and Precepts 2016/17

Council Tax Data

1. In order to set its budget for 2016/17, the council needs to calculate its council tax requirement. This is the amount that the council needs to raise from council tax to meet its expenditure after taking account of the income it will accrue from the following
 - (a) the amount to be received from specific grants.
 - (b) the amount to be received from Revenue Support Grant and the Business Rates Top Up under the Business Rates Retention Scheme.
 - (c) the amount to be received for the County Council's share of Non-Domestic Rating Income.
 - (d) any surpluses/shortfalls on the council tax collection funds for earlier years and the estimated position for the current year.
 - (e) the amount expected to be received from fees, charges and contributions.
2. In order to set its council tax for the forthcoming year, the council needs to calculate its council tax requirement and have available the council tax base, expressed in terms of Band D equivalent properties.
3. Based on the final information on funding and assuming a council tax requirement of **£314,749,373** as shown in the proposed Medium Term Financial Plan (Section 4.1) as amended by Annex 1 to this report the calculation of the Band D Council Tax for 2016/17 is as follows:

Council Tax Calculation 2016/17

	£m
County Council net expenditure after specific grants	426.313
Less: Revenue Support Grant	-39.331
Business Rates Top Up	-37.394
Non-Domestic Rating Income	-29.886
Council Tax Collection Fund Adjustments	-7.015
Business Rates Collection Fund Adjustments	2.062
Council Tax Requirement (R)	314.749
Council Tax Base (assuming losses on collection) (T)	238,676
Band D Council Tax (R/T)	£1,318.73

The calculation of the council tax for the other bands is shown below in Table 1. Table 2 analyses the tax base over each district council area and allocates the estimated County Council precept to each area relative to their tax base.

Table 1

Council Tax by Property Band for Oxfordshire County Council

Assuming a Band D council tax of £1,318.73, the council tax for other bands is as follows:

Property Band	Property Values	Band D Proportion	2016/17 £ p
A	Up to £40,000	6/9	879.15
B	Over £40,000 and up to £52,000	7/9	1,025.68
C	Over £52,000 and up to £68,000	8/9	1,172.20
D	Over £68,000 and up to £88,000	9/9	1,318.73
E	Over £88,000 and up to £120,000	11/9	1,611.78
F	Over £120,000 and up to £160,000	13/9	1,904.83
G	Over £160,000 and up to £320,000	15/9	2,197.88
H	Over £320,000	18/9	2,637.46

Table 2

Allocation of Precept to Districts

The County Council precept (£314,749,373) is the sum of the council tax income required to fund the Council's budget.

District Council	Tax Base Number	Assumed Precept Due
		£
Cherwell	50,357.10	66,407,418.48
Oxford City	43,665.10	57,582,477.32
South Oxfordshire	54,965.00	72,483,994.45
Vale of White Horse	48,176.90	63,532,323.34
West Oxfordshire	41,512.03	54,743,159.32
TOTAL	238,676.13	314,749,372.91

Formal approval is required under the council tax legislation for:

- The County Council's precept, allocated to district councils pro rata to their share of the council tax base for the County Council;
- The council tax figures for the County Council for a Band D equivalent property and a calculation of the equivalent council tax figure for all other bands.

The information must be given to district councils by 1 March 2016.

Green Group Budget Amendments - Revenue

	2016/17	2017/18	2018/19	2019/20	TOTAL
Proposed Council Tax Increase	7.00%	3.99%	3.99%	3.99%	
Band D Council Tax	£1,318.73	£1,371.35	£1,426.07	£1,482.97	
	£000	£000	£000	£000	£000
Cabinet Net Pressures (+) / Savings (-)	0	6,374	6,169	-1,250	11,293
Corporate					
Additional amount to spend from having a 7.0% Council Tax increase in 2016/17	-8,852	-546	-530	-560	-10,488
Cost of Referendum in 2016/17	638	-638			0
Extend the proposal to create a trading arm of the Council to include other services such as Legal, Finance & HR		-100	-100	-200	-400
Hire out rooms in County Hall for meetings and private functions in the evenings and weekends	-50				-50
Reduce pay budgets of Senior Staff	-100				-100
Share Senior Management Team with other Councils	-200	-200			-400
One-off saving from reduced redundancy costs		-400	400		0
Employers Parking Levy			-2,250	-2,250	-4,500
Contribution to Capital to fund a Benelux Style Cycle network (see also capital programme amendments below)			2,250	2,250	4,500
Contribution to Capital to fund Insulation Scheme	5,000	-5,000			0
Children Education & Families					
Do not close Children's Centres	800	6,200			7,000
Retain Early Years SEN inclusive teachers provision (CEF6)		100			100
Retain contracts for services to disabled children and families (CEF12)		250			250
Social & Community Services					
Retain funding for the falls service (SCS5)	273				273
Retain funding for carers (SCS8)	60	100			160
Retain funding for Information and Advice (SCS9)			120		120
Retain funding for Carers Respite (SCS10)		100			100
Retain the funding for Council Health & Wellbeing Centres (SCS21b) and part of associated transport (SCS21c)		2,050			2,050
Retain funding for Intervention and Preventative Services (SCS25)				400	400
Funding for Homeless Services		500			500
Crisis Fund for Vulnerable people impacted by the cuts	1,546	-1,546			0
Environment & Economy					
Retain funding for bus subsidies	1,220				1,220
Increase Park & Ride Charges by £2 per day	-700				-700
Subsidy for parking season ticket holders	200				200
Increase other parking charges and CPZ Permits plus new income from additional CPZ	-250				-250
Increase in the charge for Processing Licenses and Planning Applications above the proposed increase	-6				-6
Increase in the general charges	-50				-50
Biodiversity Specialist	35				35
County Cycling Planning Advisory Officer	35				35
Libraries & Culture					
Maintain funding to the Arts			92		92
Delay the Library Savings for one year	522	-522			0
Corporate Services					
Reduce the number of Members on the Cabinet by three	-60				-60
Reduce the level of Members Allowances	-100				-100
Commission a feasibility study to assist NHS PFI buyouts	39				39
Revised Net Pressures (+) / Savings (-)	0	6,722	6,151	-1,610	11,263
Change to Cashflow Position	0	348	-18	-360	-30

Green Group Budget Amendments - Capital

Amendments to the Capital Programme	2016/17	2017/18	2018/19	2019/20	TOTAL
	£000	£000	£000	£000	£000
Capital receipt generated from sale of County Heritage assets	-100				-100
Transport Programme					
Benelux Style Cycle Network and Improvements to Dangerous Roads			2,250	4,500	6,750
Additional Controlled Parking Zone	125				125
A40/Collingwood Road Signalised Junction	125				125
Environment & Economy Programme					
Insulation Scheme	5,000				5,000
Total amendments to the Capital Programme	5,150	0	2,250	4,500	11,900

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Budget Proposal - Liberal Democrat Group

Response to Budget Proposals

On behalf of the Liberal Democrat Group

The Liberal Democrat Group has been fighting hard to prevent the wholesale closure of Children's Centres, the removal of all bus subsidies, and the drastic reduction in adult social care provision – all of which are being put forward, with other unwelcome measures, by the ruling administration in their budget proposals. We believe that none of this is in the best interests of Oxfordshire residents.

The Prime Minister's letter of 14th September 2015 to the Leader of the Council has at least challenged the administration to explain why, when the problems facing the Council were clearly visible several years ago, the bold decisions which might have alleviated the grave situation, in which the Council now finds itself, were not taken. Oxfordshire, with one of the strongest economies in the country, finds itself amongst the least prepared to cope with Mr Osborne's cuts. It is also fair to say that Mr Cameron's letter displayed an appalling ignorance of the effect Mr Osborne's cuts to Local Government were having on all Councils – but particularly the Shire Counties.

Yet the response of the Tory/Independent administration has been to make ever more heavy cuts everywhere but to avoid making long-term strategic decisions. We now find ourselves facing another round of cuts – deeper than ever before and with too few staff even to consider any innovative ideas. We have reached a stage of spiral decline from which there seems no escape. If we continue down this path, we will surely be back next year, and the year after, and the year after that trying to explain to the angry, and increasingly unbelieving residents of Oxfordshire “why we must make that year's cuts” and “we don't want to make them” and “we hope they understand”. This seems to the Liberal Democrat Group to be a message without hope, and an approach that is verging on pathetic.

We cannot support the closure of Children's Centres. We believe the proposals to be storing up social and financial problems that far outweigh any potential savings. We have tried to suggest alternatives through our participation in the Cabinet Advisory Group, but the administration has been determined to pursue its own “solution”. As a result, we do not support the current proposals for Children's Centres emerging from the Cabinet Advisory Group. And unless, or until there is a major change of direction we will no longer be participating as members of the Cabinet Advisory Group on Children's Centres.

We cannot support the cuts being proposed to adult social care. Again, we believe the proposals to be storing up social and financial problems that far outweigh any potential savings.

We cannot support the proposed cuts in subsidised bus services, the social isolation, the added environmental damage and the harm to those who depend on public transport to get to work, these cuts will cause.

But we acknowledge that the council is faced with a shortfall in its budget of up to £70 million over the next five years and we have racked our brains to find ways of addressing this. We have been involved with, and proposed ideas on Income Generation; demanding that the Government reconsider the derisory 20% share of New Homes Bonus allocated to County Councils; economies in management structure, and making better use of the £900m+ of property owned by the Council.

But the hard fact is that, even if all these things were to be delivered, it would not be anywhere near enough to make the savings required to preserve what we, and other residents wish to preserve. Large-scale increases to the Council Tax would impact disproportionately on those least able to pay and referendum costs. We know that more time must be spent trying to convince Central Government and the County's Conservative MPs that local government must be better funded. Experience on both fronts over the past nine months make us fear that this will have little effect, and will divert us from what we should be doing – finding ideas which are capable of making a difference, and quickly.

The most obvious of such ideas is a Unitary Council for Oxfordshire. Not a new idea, indeed it was proposed by the Leader some months ago. The savings predicted in the Report by Ernst & Young (commissioned in November 2014) from the forming of a single, Unitary council were of an order which could save the Children's centres, save the bus subsidies and save much of adult social care. We congratulate the Leader for commissioning this report: ten out of ten for the proposal – but only two out of ten for the way it was handled. The proposal was presented as OCC "taking over" all other Councils. No attempt was made to prepare or negotiate. We must do better now.

As ratepayers in Oxfordshire we should all want the best possible value for money, and as councillors it is our duty to provide it. If a Unitary Council could save the services currently under threat, we must have that conversation with residents now. An Oxfordshire Unitary Council could come about within 2 years, and start achieving substantial savings within a further two if Oxfordshire residents wanted it - quickly enough to avoid many of the wholesale cuts being proposed.

We propose that a full and timetabled consultation be put in place to discuss this issue on a cross-party basis with district, town and parish councils with the clear aim of bringing it to fruition.

In the meantime, the Liberal Democrat Group is not willing to follow the spiral of decline and defeatism which has gripped the Council by supporting the budget being proposed by the Conservative and Independent Alliance administration.

Councillor Richard Webber

Leader of the Liberal Democrat Group.

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