

# Section 1

# Leader of the Council's Overview

**SERVICE & RESOURCE PLANNING****2017/18 to 2020/21****Overview by the Leader of the Council****Introduction**

1. The Service & Resource Planning Report approved by Cabinet on 24 January 2017 set out the detailed budget proposals from the Cabinet which continue to deliver a financially sound budget, Medium Term Financial Plan (MTFP) and Capital Programme for the authority.
2. This is the last budget of the current administration elected in May 2013 and our budget over the last four years has been built on the premise of fairness and protecting the most vulnerable from the impact of any cuts. The last four years have been particularly challenging. I have been clear that where we have had to make difficult decisions to reduce services, or to increase charges, that we have done this to meet our reduced funding envelope, playing our part in bringing down the national deficit, not because we don't appreciate the hard work of staff, or the value placed on those services by their users. As I have said on numerous occasions, I did not come into politics to make cuts.
3. However, our commitment to ensure we deliver a balanced and sustainable budget across the medium term has stood us in good stead. We have ensured that we have not had black holes in our savings plans; we have stuck to our decisions and implemented changes as best we can with the engagement of service users. We are now in the position where despite having to manage growing demand and other pressures, the Cabinet can propose a budget and medium term plan that has no new savings that mean cuts to services.
4. In my first budget of this administration, I said that 'the previous administration set out ambitious financial plans, and met them. I am confident that we will do so over the period of this new administration.' I believe that we have achieved this and this year's proposals not only sets out a realistic, no cuts budget, but a medium term plan that is sound, deliverable and well placed to sustain the services of the future.

**Significant Savings**

5. Since 2010, we have planned and delivered £300m of savings - our track record for delivering on our plans is exceptional. Our existing medium term plan requires us to make a further £60m of savings up to 2019/20 and we must ensure they are delivered.

6. The savings proposed as part of this year's budget and medium term plan add a further £17m to this. However, most of these savings are achieved through an increased taxbase, effective use of our balance sheet, use of reserves, better value from renegotiated contracts and savings from changes to services that have already been agreed.
7. Even after these savings, we remain a large organisation, delivering 80% of local government services to over 650,000 people, spending £900 million a year across a broad range of services for the people of Oxfordshire.

### **Council Tax**

8. With an ever reducing amount of central government funding, we rely even more on locally raised income through Council Tax to meet our funding requirements. Council Tax accounts for 78% of our net income compared to 13% of central government funding.
9. In order to meet the growing demand for adult social care, our budget for 2017/18 proposes the use of the Adult Social Care precept, an increase to the Council Tax of 3.00%. In addition we propose a general increase to the Council tax of 1.99%, under the current level of inflation and within the government's referendum limits. We believe that the increase in Council Tax of 4.99% enables us to meet our increased costs without the need for further cuts to services. A 4.99% increase on a Band D property is £63.95 per year or £1.23 per week.

### **Our Priorities**

10. My administration's priority is to deliver a Thriving Oxfordshire - one where people are able to get on in life, children receive a high quality education, local people take up jobs created by new and growing businesses, as well as those which choose to move here due to our strong local offer - transport links, an educated workforce, and one of the leading centres of research and development in science in Europe.
11. We are also committed to putting residents at the heart of everything that we do; ensuring that wherever possible we protect the most vulnerable people in our society, and the services on which local people place the strongest value as well as understanding the strengths and needs of each community so we can help them to help themselves.

### **Updated Financial Information & Changes to Budget Proposals**

12. The report to Cabinet in January 2017 set out the majority of our proposals but we were awaiting confirmation of the final Local Government Settlement, local business rates forecasts, surpluses/shortfalls on the council tax and business rates collection funds and several government grants before confirming all of our plans. With the exception of the final Local Government Finance Settlement and

several minor grant allocations, the outstanding information has now been confirmed and the covering report sets out the detail.

13. With the exception of the final Local Government Finance Settlement, the final financial position has confirmed additional funding of £1.5m on-going funding and £0.4m one-off funding. This allows us to make a number of proposals. However, I recognise that it would not be sensible to make large changes to the budget at a very late stage without due consideration. Therefore we propose that £0.9m is put into balances and contingency in 2017/18 so that consideration can be given to the effective use of this funding on an on-going basis from 2018/19. The changes we are now recommending are set out in section 4.2.1 of the report and detailed below:
- (a) £170k on-going funding to carry out additional activity related to grass cutting, an areas that has been cut in recent years;
  - (b) £250k one-off funding initially for a pilot Communities Fund for parishes and towns to bid for matched funding schemes following changes/reductions in funding for services provided by the Communities Directorate;
  - (c) £600k additional funding for Children's Social Care reflecting the latest increases in demand for services and providing for further expected growth.

### **Total Reserves**

14. Much has been made in the press in recent years of the level of reserves councils hold. We hold reserves for two purposes; earmarked reserves for specific and planned purposes such as funding our Thriving Families programme; and balances for unplanned events such as flooding. I am confident that the level we hold provides the right balance between ensuring the maximum use of taxpayers' money and keeping sufficient aside to deal with major emergencies.

### **Capital Programme**

15. We have plans for additional investment of £22m in our Capital Programme up to 2020/21 bringing our planned spend in the period 2016/17 to 2020/21 to £445m. Over the period of the programme we will invest £153m in the provision of new school places including new schools at Didcot, Great Western Park; Bodicote, Longford Park; Didcot, Bicester; Eco School and Bicester; South West Secondary School. The programme also includes schemes where funding agreements are in place for the £118m Local Growth Fund (Rounds 1&2) allocated to OxLEP to deliver a range of programmes including transport

schemes delivered by the Council such as Access to Headington; Hinksey Hill Slip Road and Loop Farm Link Road,

16. Additional funding has also been announced by the Secretary of State for Transport providing an indicative £3.3m of capital funding for Oxfordshire in 2017/18 for a National Productivity Investment Fund Oxfordshire to improve local road networks.

### **Conclusion**

17. I recognise the hard choices our budget proposals have meant over the last few years. I have listened to, and I accepted, the justifiable unhappiness we have heard. People have every right to make their voices heard - and those voices played a part in shaping the proposals. However, as I have said throughout this administration, our funding is fixed. If we shied away from some cuts, we would have needed others to replace them. Now we have addressed those cuts, we can move forward on a positive basis.
18. This council remains committed to a thriving Oxfordshire - thriving families, thriving communities and a thriving economy. The Fit for the Future transformation programme, along with other changes across the Council will provide a robust and stable platform over the coming four years, ensuring we are well placed to effectively meet residents' and business needs, within our available budget.
19. This revenue budget, Medium Term Financial Plan and Capital Programme for 2017/18 to 2020/21 deliver a sustainable programme of services within the finances available to Oxfordshire County Council.

**Ian Hudspeth**

Leader of the County Council

February 2017