

LIBERAL DEMOCRAT BUDGET STATEMENT FEBRUARY 2017

Over several years, the Conservative-led administration have responded to Government under-funding by cutting front-line services to the bone, often without the broader thinking that could have led to less painful solutions. The possible long-term impact on future budgets has been lost in the need to get the immediate years' figures to balance. We are yet to see the full impact of cuts to Children's Centres on the Children's Services budget as more families fall into vulnerability. In the haste to achieve the "savings" targets set for Children's Services and Adults Services, the potential impact on and difficulties for the Communities Directorate budget of lost staff and lost rent (never mind the damage to the reputation of the Council) was overlooked.

Some of the savings achieved fall into the realm of Tory accountancy wizardry. How realistic they are remains to be seen in the next few years.

With the latest IFS predictions that austerity will continue for many years to come, it is timely to remind Council that, but for the Liberal Democrat Group's insistence that in last year's budget a firm commitment to go for Unitary Government as soon as possible should be included, the outlook would have been gloomier still. More cuts, more pain management, more anxiety, more pessimism. For the first time in many years, and whilst others have no option but to continue to "manage decline", there is now a very real prospect of Unitary government in this County. We now have the opportunity to "get ahead of the curve" – and to become the largest rural County Unitary making the greatest savings allowing real alternatives in policy.

Whilst congratulating our officers for helping us to produce balanced budgets year after year, we believe that some of the pain could have been avoided, with more imagination and we welcome the apparent change in attitude of the current administration in relation to better management of the Council's large property portfolio. We welcome a more entrepreneurial attitude, buying as income-generating investment, disposal of unneeded, inefficient and expensive assets, and borrowing to invest whilst interest rates are low. As with the Unitary issue, we want to see this happening and happening fast.

Specific Actions within the Liberal Democrat Group amendments

Communities Directorate

There has been, over many years a policy of asking the Communities Directorate budget to take more and more of the pain. All councilors will agree that a large proportion of their time is now taken up with trying to manage increasing casework loads around traffic and transport, drainage and highways. An ever smaller team of officers with fewer and fewer resources is buried in work. Much of the bad PR that

this council has incurred in recent years surrounds the responses, and in many cases, lack of response to highways issues. The Liberal Democrat proposals are designed to address the problems of E&E, namely:

To retain 4 Area stewards at an extra cost of £150K, funded in 2017/18 from the £250k allocated to the proposed new Community Fund. The remaining £100K for 2017/18 will be put towards development work on the investment strategy.

To borrow £10m to fund the cost of highway asset improvements (including posts to enable more income) Note: second Dragon patch repairer is already on order in the contract with Sanska.

By doing this, Oxfordshire, far from managing further decline in its road system, could aspire to the fewest, most rapidly-filled potholes in the country with all the benefits to reputation that that would bring.

With regard to new development, we also call on Council to demand, via CIL or s106 that any development planned in or close to an established Air Quality Management Area should contribute towards a fund to be used to offset the impact of that development on Air Quality.

Children's Services

To address the problems and dreadful PR around asking volunteers to take over Children's Centres and in some cases "rewarding them" by charging rent. We believe that communities struggling to set up alternative children's services following the closure of most Children's Centres need more time to do this and should have access to an extra fund to which they can apply for a grant to help them become sustainable. We have therefore allocated an extra £500k in the year 2018/19 which should be open to bids from all groups working to set up viable children's services, on top of any carry forward of the original £1m which can be applied to in 2017/18.

Adult services

The administration's proposals for the use of the additional funding for Adult Social Care (ASC) worry us greatly. The money that government has allowed us to raise to support the ASC budget should be additional support, ring-fenced for that purpose, and that purpose alone and not set against existing spend in order to release savings. Oxfordshire has a proud reputation for supporting ASC and we would like to continue to preserve this. We propose to do this by:

Ensuring that all new funding (precept and one-off grant for 2017/18) is used as new money within ASC and used flexibly to help meet pressures across the system and

keep people well at home. In addition, Restore adult demography (£5m) included in the existing Medium Term Financial Plan to base budget.

In 2017/18 this will be funded by borrowing from earmarked reserves and repaid over five years from 2019/20. The on-going funding from 2018/19 will be achieved through a combination of additional Transformation Programme savings and Investment strategy savings;

We propose that the restored funds within ASC should be used as follows:

Daytime support (esp rural transport)	£1.000m
Carers' budgets (remove cut)	£0.586m
Prevention of hospital admissions	£3.414m (intermediate care & community prevention covering 6 budget headings (SCS1 – 6))

Miscellaneous

Delete one Cabinet post, saving £20k.

The Liberal Democrat Group believes that these amendments improve what is currently proposed, and make a start at repairing some of the reputational damage caused by austerity cuts. We want Council to be able to look forward to better times of a forward-looking, optimistic and unified county.

Recommendations

The Council is RECOMMENDED to:

- a) Have regard to the supplementary report of the Director of Finance – Liberal Democrat Group budget amendments in approving recommendation b below:
- b) (in respect of revenue) approve:
 - a budget for 2017/18 and a medium term financial plan for 2017/18 – 2020/21 as amended in Liberal Democrat Group Annex 1;
- c) (in respect of capital) approve:
 - A Capital Programme for 2016/17 to 2020/21 as amended in Liberal Democrat Group Annex 2.

Richard Webber Cllr

On Behalf of the Liberal Democrat Group

Liberal Democrat Budget Amendments to Cabinet Proposals

REVENUE	2017/18	2018/19	2019/20	2020/21	Total All
	£m	£m	£m	£m	£m
Net Pressures/Savings	0.000	0.000	0.000	0.000	0.000
<u>Corporate Measures</u>					
Contribution to Transition Fund (Children's centres)		0.500	-0.500		0.000
Use of Budget Reserve	0.020	-0.550	0.500		-0.030
Prudential Borrowing Costs for £10m (Capitilised)		0.400			0.400
Additional Savings from Transformation Programme and Investment Strategy		-5.500	-1.000		-6.500
Repayment of earmarked reserves (over 5 years)			1.000		1.000
<u>Adult Social Care</u>					
Do not use the new Social Care Grant and Precept to fund demography (18SCS22 & 18CM5)	5.000	-2.302			2.698
Borrow from earmarked reserves to fund the removal of new social care funding from demography	-5.000	5.000			0.000
Use the restored additional funding from Social Care Grant and Precept (18SCS20 & 18SCS21) to fund the following areas:	-5.000	2.302			-2.698
Daytime Support including rural transport	1.000				1.000
Do not make the saving on Carers Support (18SCS14)	0.586				0.586
Intermediate care & community prevention to enable people to stay well at home (Budget Book lines SCS1-6)	3.414				3.414
<u>Communities - Environment & Economy</u>					
Do not create the Communities Fund (18EE16)	-0.250	0.250			0.000
Retain 4 Area Stewards (for local highways advice)	0.150				0.150
Developing the Investment Strategy	0.100	-0.100			0.000
<u>Resources - Corporate Services</u>					
Delete one Cabinet Post	-0.020				-0.020
Total	0.000	0.000	0.000	0.000	0.000

Liberal Democrat Budget Amendments - Capital

<u>Amendments to the Capital Programme</u>	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	TOTAL £m
Highways Maintenance	8.000				8.000
Asset Improvement	2.000				2.000
Total amendments to the Capital Programme	0.000	0.000	0.000	0.000	0.000

Supplementary Report by the Director of Finance (Chief Finance Officer) – Liberal Democrat Group budget amendments

Introduction

1. In expressing my opinion on the robustness of the budget and adequacy of reserves, I take into account the financial risks facing the Council.
2. It is my view that the budget amendments proposed by the Liberal Democrat Group are sufficiently different in financial terms, from the budget proposed by Cabinet, upon which my original report is based, that it is necessary for me to produce a supplementary report.

Financial Risks

3. My main report refers to the further savings in the existing Medium Term Financial Plan totalling £60m which include £15m from the Fit for the Future Programme. I have referred to the need for close monitoring of the programme to ensure the savings are delivered within the one-off resources available.
4. The budget amendments proposed by the Liberal Democrat Group increase the savings required from the Fit for the Future Programme (including investment strategy opportunities) from £15m to £20m in 2018/19. The proposals also increase the one-off funding available for implementing the programme, however it is only proposed to be increased from £3.5m to £3.6m.
5. The Cabinet's proposed MTFP assumes that there will be one-off funding available in the budget reserve in 2018/19 of £6.8m, although the budget amendments proposed by the Liberal Democrat Group reduce this to £6.3m. This means that some of the savings required could be deferred until 2019/20, but the majority will be required in 2018/19. Use of this reserve will also be dependent on the other risks and pressures identified as part of the Service & Resource Planning process next year.

Robustness of the budget

6. There is an increased risk that the additional savings required will either not be achieved, be delivered after 2018/19, or require more funding to implement than is currently available. This would need to be addressed as part of the Service & Resource Planning process next year.
7. However, having identified that there is an increased risk in future years, I am satisfied that the budget proposals for 2017/18 recommended by the Liberal Democrat Group are robust.

Lorna Baxter
Director of Finance
8 February 2017