

Report of the Strategic Management Team
9th October 2007

Budget 2008/9 and Beyond

1. Purpose

This report :-

- a) Anticipates the potential outturn position for the current financial year and the impact of that on our balances strategy.
- b) Sets out the funding gap of maintaining existing policies and procedures, at the Medium Term Financial Strategy (MTFS) Council Tax increase of 4.9%.
- c) Sets out management action proposed by the Chief Executive and Executive Directors and potential budget reduction measures to bridge the 2008/9 funding gap (stage 1 options).
- d) Considers the sensitivities to the forecasts and risks associated in the management action budget reduction proposals to bridge the funding gap and hence the potential balances strategy for 2008/9.
- e) Makes proposals for budget consultation with key stakeholders to inform the process of scrutiny and decision making at the 12th December Council meeting.
- f) Sets out proposals to refresh the existing MTFS and produce a three year plan (MTFP) after the publication of the Government's spending plans (CSR 2007) and the subsequent announcement on Government funding for the Council (Formula Grant). It further anticipates, in so far as possible, adoption of a further budget reduction process to ensure Council in February is able to signpost longer lead time budget options for 2009/10 and beyond.

2. Background

2.1 Council agreed the 2007/8 budget at its meeting on the 21st February 2007. That report also anticipated a funding gap of £16m to be bridged to provide a balanced budget for 2008/9 at the MTFS anticipated Council Tax increase of 4.9%. Work on ways to bridge that gap has been on-going since March to:-

- a) Ensure individual services provided meet Member aspirations, contribute to our main aim and themes of the corporate plan and can demonstrate value for money (VFM). This has been done through a peer challenge framework and in many cases signalling the need for further work on VFM aspects. Addressing the efficiency agenda in a systematic way was a recommendation of the IDeA Peer Review.
- b) Take a corporate and cross cutting approach to the way we are organised and “do business” through SMT sub group (which included Member representation) reviews. This required a much stronger line to be taken on organisational discipline and firm political leadership. Delivery on proposals will be critical in evidencing our ability to drive down transactional costs; and
- c) Consider the balance between national and local priorities, Directorate and corporate pressures, and hence take a view upon investment/disinvestment requirements.

2.2 In overall terms taking out £16m was always going to be a major test, particularly if that was not to too adversely impact on our corporate priorities. In global terms the scale of that challenge can be summarised as:-

	£m
2007/8 Overall Council budget (net)	337
Less Schools (DSG)	(153)
Asset Rentals	(37)
Waste, Passenger Transport, other AGMA Services	(23)
Net controllable budget	<hr/> <hr/> 124

On the basis of £16m funding gap, that would represent about a 13% reduction, if applied evenly.

3. 2007/8 position – week 17 budget monitoring

3.1 The latest budget monitoring report is for week 17 which was scrutinised at the Performance and Value for Money Select Committee on the 20th September. The expected year end position is: -

	Week 17	Week 13	Movement	
	£k	£k	£k	
Projected Variations in Spending:				
- Adults & Community Services		1,750	1,744	6
- Children, Young People & Families	1,089			
- less approved appropriations from reserve	<u>(985)</u>	104	(193)	297
- Environmental Services (week 12)		30	30	0
- Regeneration		0	0	0
- Strategy & Resources		(8)	214	(222)
- Corporate costs		126	930	(804)
- Contingency		0	0	0
- Capital / Financing costs		(1,300)	(1,300)	0
PROJECTED OVERCOMMITMENT		702	1,425	(723)

3.2 It seems likely that the Adult and Community Services Directorate will therefore require a “facility”, within the three year MTFs, to carry forward a £1.75m overspend and repay that over a two year period (£1m in 2008/9 and the remaining £0.75m in 2009/10). Adopting that phased approach would not impact on the balances strategy. The Executive Director is of the view that, with the full year effect of homecare charge increases, the full implementation of the charging policy, day care reconfiguration in train and further savings from physical disability (in borough provision), additional PCT income, supporting people scheme changes and 2008/9 increased/revised charges, that the proposed repayment can be accommodated by the budget strategy. Further comment on that is made at paragraph 4.3

3.3 The projected balances position at 31st March 2008 and 2009 is therefore:-

	2007/08 £m	2008/09 £m
At 1st April	7.711	7.159
Forecast Overspend	(0.702)	-
Planned contribution	0.500	0.500
Childrens Services repayment	0.150	-
Refuse Recovery Plan	(0.500)	0.500
Procurement (pump priming – no additional facility in 2007/8 fully repaid in 2008/9)	-	0.500
Adults and Community repayment	-	1.000
Projected balances at 31 st March	7.159	9.659

3.4 Consideration has been given to the balances strategy in relation to former Social Services “overspend”. A total of £5.3m carry forward was built up in the two years following increased spend requirements to deal with post “Climbie” pressures. £1.5m of that “facility” will have been repaid and the February Cabinet report advised that the need, or otherwise, for further repayment would be considered in 2008/9. Given the investment in 2007/8 of £800k p.a. in improving safeguarding children (which means the current year’s budget is on track) it is now felt appropriate, given the corporate priority of this area, that no further repayment be required.

3.5 The 2008/9 balances position would be higher than the required £8.2m assessed in February and thus will allow flexibility around adopting, at this stage, options in the list for 2008/9 that are not yet fully worked up. The balances strategy, together with other reserves, are areas that will need to be reviewed as part of the process of finalising proposals in February.

4. 2008/9 budget requirements

4.1 Greater expectations around transparency in setting the budget requirements mean it is essential that Members, the public and other key stakeholders are fully aware of pressures being faced/management action being taken, as well as those for which corporate investment is needed. Appendix A provides a full analysis of the recent reassessment of spending needs, but can be summarised as:-

	£m	£m
2007/8 budget requirement (net of £0.5m refuse loan)		336.636
<u>Add Inflation</u>		
Pay inflation (2½ %)/increments	3.866	
Non Pay inflation (excluding energy)	4.926	
Energy costs	0.584	
Total inflation pressures		9.376
Schools adjustment (DSG)		0.936
Corporate priority pressures (Appendix B - contingency, TIF, MRP)		4.200
Directorate pressures (Appendix B)		7.366
TOTAL BUDGET REQUIREMENT		<u>358.514</u>
Less:-		
Government Funding		
Dedicated Schools Grant (1% cash increase/net of pupil number reduction)	(154.607)	
Formula Grant (assumed 2½% increase see paragraph 7.1 (a))	(104.672)	(259.279)
Less Council Tax (62,152 x £1,545.52 (4.9% increase))		(96,306)
Add Precepts		
GM Police (5% increase)	7.583	
GM Fire (5% increase)	3.132	10.715
GAP TO BRIDGE		<u>13.644</u>

Oldham Metropolitan Borough Council

The majority of the £2.4m reduction in gap (£16m (para 2.1) - £13.6m) is accounted for by a lower than anticipated increase in the costs of energy.

- 4.2 Excluded from the above gap are potential pressures of £4.065m in the Childrens Young People and Families (CYPF) Directorate which may arise in respect of changes to the way grant will be provided (from 1st April 2008 grant will be paid via the Local Area Agreement mechanism, and thus may be subject to Partnership de-commissioning/re-commissioning). The services affected are:-

	£m
Connexions	2.434
Secondary School Improvement	0.423
Looked after children	0.109
Primary School Improvement	0.519
Education Out of School	0.125
Additional Educational Needs	0.187
Children with disability	0.010
Sports Development	0.070
Workforce Development & Governance	0.188
	4.065

- 4.3 The Adult and Community Services budget is subject to considerable demand pressures at the current time (as evidenced by the £878k overspend in 2006/7 and projected over commitment in 2007/8) The Executive Director is of the view that those pressures are around £2.9m, but can be met by: -

Measure	£m
Homecare charges (additional full year effect)	0.700
Increased income from full year effect of full charging policy	0.800
Day-care reconfiguration	0.300
Physical and sensory disabilities – further in borough savings	0.200
Revision of services supplied to the PCT	0.400
Changing the basis of paying supporting people grant	0.400
Introduction of charge increase/revised charges	0.150
	2.950

Given the above pressures only £140k of potential budget options are suggested for the Adult and Community Directorate. That in turn reflects our local priority about protecting vulnerable adults.

- 4.4 The potential pressures above (4.2 to 4.3) will now mean these will need to be carefully managed as risks.
- 4.5 At this stage in the process we have identified loss of external funding in 2008/9 as a pressure. Further loss of income in 2009/10 for Environmental Services and Regeneration will need to be considered as proposals for those years are developed.

5. Budget Option Development

- 5.1 Considerable progress has been made in pulling together a credible list of options this early in the budget setting process using the process set out in paragraph 2.1. However, with almost 5 months prior to us needing to finalise our reduction programme (at February 2008 Council), a number of potential options are not yet fully worked up. That also means that at this stage the staffing impact is not fully clear (see Appendix C). It will be necessary to fully work up these options so that the Treasurer is able to evaluate the deliverability issues prior to Council Tax setting, and hence ensure balances are above their minimum level (see 3.3 to 3.5)
- 5.2 Consideration has also been given in the process of developing the initial budget reduction proposals to identifying options above the MTFS gap requirement. That in turn will allow full consultation upon these options, and also the potential to reduce the increase in council tax to a level more consistent with inflation. The budget gap, at indicative levels of council tax increase, would thus increase to :-

Council Tax Increase			Budget Gap
%	£p.a.	Band D charge	£m
3.5	51.69	£1,528.83	14.9
2.5	36.92	£1,514.06	15.8
2.0	29.54	£1,506.68	16.3

- 5.3 Options proposed at Appendix C total £17.165m, which can be analysed by savings category as :-

	£m
Improved processes	3.627
Efficiencies	6.673
Accommodation	1.807
Staffing reductions	2.655
Maximising external funds/income generation	2.403
	<hr/>
	17.165

- 5.4 Included in the above proposals are £2.6m of “one off” savings. While these are designed to spread the need in this projected “peak” year for options, they will add to the 2009/10 pressures. The early development of options for 2009/10 (see section 9) will however give the maximum opportunity for those to be made by efficiencies etc., hence protecting front line delivery.
- 5.5 Given the risk assessment (section 7), especially around the formula grant, and comments around some of the potential budget options not yet being fully worked up, it is sensible to include a level of over-programming at this stage of the process.

6. Dedicated Schools Grant (DSG)

- 6.1 As a result of recent communication from the Department for Children, Families and Schools the forecast increase for the schools (DSG) has been amended downwards (from the February assumptions) to a 1% cash value. Locally, we are also predicting a small decrease in the number of pupils. In addition there are considerable pressures around statemented pupils which are increasing spend requirements in this budget area. Taken together this means that for the first time the DSG may need to bridge a significant (£6.5m) funding gap. That is a matter for the Schools Forum, which locally exercises the Secretary of State’s powers, and consultation meetings to do will start on 17th October.

7. Risk Assessment

7.1 The current major areas of risk around the financial forecasts (budget requirements) are: -

a) Formula Grant

In the absence of a Government spend plan for 2008/9 there remains significant uncertainty about the likely level of their support. In the last few weeks the “publication” timetable for CSR 2007 seems to be becoming clearer, with a mid October expectation now widely reported. Beyond that the messages are very mixed:

- i. Regional Development Agency funding is likely to fall by around 8%.
- ii. Ministers are increasingly “bullish” about the level of “Gershon” efficiency savings that can be delivered. A total of 9.3% cashable (about 3% p.a., rather than 2½%p.a. is an emerging theme.
- iii. The Chancellor’s announcement on the national fiscal position continues to talk about public sector cutbacks, including a scaling back in the traditional investment areas of education and health.
- iv. An expectation, via the Local Government Association, of a sub 1% increase.
- v. Consultation on a possible alternative way of distributing formula grant would, if agreed, see a switch of resources to metropolitan districts; and hence Oldham.

The previous forecasts have included an overall inflation increase (2½%) in the level of RSG, and whilst the overall sub 1% increase position is becoming increasingly suggested the potential of a methodology change is also widely acknowledged. Taken together we believe that an inflation increase could still be reasonable. That remains a big risk however, and in view of the scale of changes (1% is worth just over £1m) there will be a need to continue to flag the sensitivity of this to the budget strategy.

b) Equal Pay

The MTFs projection has made a number of broad brush assumptions about the financial consequences of settling equal pay

claims, including that our exposure will not breach the reduced level of “capitalisation order” recently received, and that if needed a similar order will be applied for/approved in 2008/9. That is a risk that the February 2008 report and balances strategy will need to take account of.

c) Energy

The lower than anticipated increase in energy costs was achieved through a tie into Office of Government Commerce (OGC) contracts for the majority of the current year. The energy market continues to be extremely volatile and therefore the MTFS assumes a rise 37% gas/19% electricity in 2008/9. The robustness of that assumption will in part depend on the procurement exercise currently being undertaken.

These are areas we will need to keep under review as the budget process moves on.

- 7.2 Risks around external funding charges (especially LAA for CYPF – paragraph 4.2), and delivery on the Adults modernisation programme (paragraph 4.3) will also need to be carefully monitored.

8. Consultation and Communication

8.1 Public

The February 2007 budget report suggested a need to enhance our consultation process for 2008/9, in part to meet increasing public/Government expectations about doing so.

Given the earlier start to consultation this year, and potential options about reducing the level of council tax increase, it is proposed to use on-line consultation (augmented by hard copies as requested) using software that allows the public to make “trade offs” between budget reductions and council tax increases. A wide ranging communications campaign, to engage with the widest possible Community, will be used to encourage participation.

8.2 Business Rate Payers

There remains a statutory duty to consult with the business community. In recent years we have tried to achieve that through the Manchester Chamber, though with limited success because they felt they had had

insufficient time to consult. This year we have the opportunity to make sure that is addressed.

8.3 Trades Unions and staff

In accord with our past practice, arrangements have been made for formal consultation meetings, the initial one being on the 9th October. Directorates will then arrange detailed discussions at extraordinary DCG's. The formal process of consultation (issue of section 188 notice etc.) will start shortly.

A special Chief Executive's briefing is also planned to enable all our staff to be informed of the consultation process.

8.4 Partners

It is proposed that a paper be prepared for the Oldham Partnership Executive based on this document.

8.5 Members of the Council

Proposals set out in this report have been closely developed with Members of Cabinet. Backbench Members will be able to scrutinise proposals through the November Select Committee process(es) and at the December Council – see section 10

9. Refresh of the MTFS and three year budgeting plans

9.1 To date effort has been concentrated on making the 2008/9 forecasts as accurate as possible. Work is now taking place to finalise 2009/10 and 2010/11 forecast requirements, including the effects of one year options, corporate pressures (such as the Building Schools for the Future affordability gap, Street Lighting PFI contribution and the new pool at Chadderton).

9.2 Budget gaps will then need to be determined, but it is felt best to do that once the uncertainty surrounding Government support (Formula Grant) has been resolved, following the expected announcement in late November. Proposals for 2009/10 etc, together with any further options (stage 2) will thus be considered in the January/February meeting cycle.

9.3 A "refresh" of the MTFS, which in turn will be closely tied into the refresh of the corporate plan, will thus be undertaken in time for the MTFS (and accompanying three year plan MTFP) to be considered at the February 2008 budget setting Council meeting.

Oldham Metropolitan Borough Council

10. Timetable

Going forward the key dates for consideration of stage 1 budget options are:-

DATE	MEETING/ACTIVITY
9 th Oct	Trades Union consultation
17 th Oct	Schools Forum (budget)
22 nd and 23 rd October	Consultation with Headteachers and governing bodies
22 nd October	Consultation with teaching and non teaching unions
	Public consultation
	Business ratepayers
	Partners (Oldham Partnerships)
15 th November	P&VFM Select Committee Scrutiny of budget
21 st November	Schools Forum
28 th Nov	P&VFM Select Committee Scrutiny of Lib Dem budget (if required)
4 th December	Cabinet (previously 3 rd December)
12 th December	Council

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

Files held by John Bland, Director of Finance, Room 442, Civic Centre, West Street, Oldham (0161 770 4900).

<u>BUDGET SUMMARY 2008 / 2009</u>	<u>ELIGIBLE BUDGETS</u>							<u>NON - ELIGIBLE BUDGETS</u>			
	TOTAL	SUB - TOTAL	Adult & Community	Children, Young People & Families	Environmental Services	Regeneration	Strategy & Resources	SUB - TOTAL	Dedicated Schools Grant	Contingency	Other Corporate Budgets
	£k	£k	£k	£k	£k	£k	£k	£K	£k	£k	£k
<u>CALCULATION OF BUDGET REQUIREMENT</u>											
2007/2008 Approved Budget (Council 21/02/2007)	336,636	157,479	58,184	48,007	34,196	2,628	14,464	179,157	152,897	3,857	22,403
Pay Inflation @ 2.5%	3,375	3,097	943	618	867	115	554	278	278		
Increments	491	372	?	177	?	38	157	119	119		
Non-pay inflation @2%	4,926	2,791	317	1,289	933	-	252	2,135	377		1,758
Increase in energy costs	584	584	109	-	465	10	-	-	-		
ISB MFG (Noted)									7,476		
DSG Adjustment	936	-			-			936	936		
Department Pressures - see attached	11,566	7,366	350	4,213	1,635	425	743	4,200	-	3,933	267
	358,514	171,689	59,903	54,304	38,096	3,216	16,170	186,825	154,607	7,790	24,428
<u>NET BUDGET REQUIREMENT</u>	358,514	171,689	59,903	54,304	38,096	3,216	16,170	186,825	154,607	7,790	24,428
<u>CALCULATION OF CASH LIMIT</u>											
2007/2008 Approved Budget (Council 21/02/2007)	336,636	157,479	58,184	48,007	34,196	2,628	14,464	179,157	152,897	3,857	22,403
less: Asset rentals	(19,634)	(19,634)	(1,956)	(8,995)	(8,683)	-	-	-	-	-	-
	317,002	137,845	56,228	39,012	25,513	2,628	14,464	179,157	152,897	3,857	22,403
add: MTFS Uplift	7,596	4,128	1,522	902	1,276	66	362	3,468	1,710	-	1,758
	324,598	141,973	57,750	39,914	26,789	2,694	14,826	182,625	154,607	3,857	24,161
less: share of Corporate savings (pro rata)	(3,562)	(3,562)	(1,449)	(1,001)	(672)	(68)	(372)	-	-	-	-
<u>Cash Limit excluding asset rentals</u>	321,036	138,411	56,301	38,913	26,117	2,626	14,454	182,625	154,607	3,857	24,161

BUDGET SUMMARY 2008 / 2009			ELIGIBLE BUDGETS					NON - ELIGIBLE BUDGETS			
	TOTAL	SUB - TOTAL	Adult & Community	Children, Young People & Families	Environmental Services	Regeneration	Strategy & Resources	SUB - TOTAL	Dedicated Schools Grant	Contingency	Other Corporate Budgets
add: Asset rentals (as above)	19,634	19,634	1,956	8,995	8,683	-	-	-	-	-	-
Less: Schools Forum to Resolve (Noted)								6,540			
add: Corporate Pressures	4,200	-	-	-	-	-	-	4,200	3,933	267	
<u>CASH LIMIT 2008 / 2009</u>	344,870	158,045	58,257	47,908	34,800	2,626	14,454	186,825	154,607	7,790	24,428
<u>GAP</u>	(13,644)	(13,644)						-	-	-	-
<u>SAVINGS IDENTIFIED</u>											
(see attached)	-	-	-	-	-	-	-	-	-	-	-
	(13,644)	(13,644)						-	-	-	-

<u>DIRECTORATE PRESSURES</u>	ELIGIBLE BUDGETS						NON - ELIGIBLE BUDGETS				
	TOTAL	SUB - TOTAL	Adult & Community	Children, Young People & Families	Environmental Services	Regeneration	Strategy & Resources	SUB - TOTAL	Dedicated Schools Grant	Contingency	Other Corporate Budgets
	£k	£k	£k	£k	£k	£k	£k	£K	£k	£k	£k
<u>2008 / 2009</u>											
Dowries	350	350	350					-			
Street Scene - loss of external income	1,000	1,000			1000			-			
Community Safety- loss of external income	225	225			225			-			
Highways - Additional Gully Emptying following public representation and risk assessment	100	100			100			-			
School Meal - primary school food cost increase	60	60			60			-			
Rates/ insurance re Acorn Centre	20	20			20			-			
Rates	31	31			31			-			
Increased insurance costs	136	136			136			-			
Contractual increase re BWB Canal Maintenance costs	20	20			20			-			
Loss of cleaning contracts (net)	43	43			43			-			
Safeguarding & Vulnerable Children	985	985		985				-			
BSF Implementation Team	800	800		800				-			
Legal Fees	100	100		100				-			
Loss of external funds								-			
Primary school improvement	390	390		390				-			
Secondary school improvement	146	146		146				-			
Provision of respite services	118	118		118				-			
Business support	88	88		88				-			
Sports development	84	84		84				-			
Workforce development and governance	71	71		71				-			
Strategy and performance	21	21		21				-			
Children with disabilities	40	40		40				-			
Demographic pressures	25	25		25				-			
Staffing related items	57	57		57				-			
Schools PFI unitary charge Council contribution	745	745		745				-			
Acquisition of site for BSF project - prudential borrowing charges	507	507		507				-			

Oldham Metropolitan Borough Council

	ELIGIBLE BUDGETS										
	TOTAL	SUB - TOTAL	Adult & Community	Children, Young People & Families	Environmental Services	Regeneration	Strategy & Resources	SUB - TOTAL	Dedicated Schools Grant	Contingency	Other Corporate Budgets
	£k	£k	£k	£k	£k	£k	£k	£K	£k	£k	£k
Contractual increases	36	36		36							
Loss of grant income for Beyond Oldham Beyond & Economy & Enterprise Unit	253	253				253		-			
Failsworth Centre - Loss of rental income	42	42				42		-			
Meek St - Loss of Rental Income	86	86				86		-			
On-going staffing pressures	44	44				44		-			
Possible expiry of grant funding for Area Managers	377	377					377	-			
Additional insurance costs	12	12					12	-			
Additional Asset Rentals for HR system producing savings of £0.5m per annum	354	354					354	-			
Additional contingency provisions	3,933	-						3,933	3,933		
Minimum revenue provision contribution	167	-						167			167
AGMA Transport Innovation Fund contribution - Metrolink	100	-						100			100
	11,566	7,366	350	4,213	1,635	425	743	4,200	-	3,933	267

**OMBC POTENTIAL BUDGET OPTIONS 2008/09 – OCTOBER 2007
CONSULTATION SUMMARY**

PLEASE NOTE THIS LIST IS NOT IN PRIORITY ORDER

Summary	Target Saving £k
Improved Processes	3627
Efficiencies	6673
Property	1807
Staffing	2655
Maximising external funding and income generation	2403
Total	17,165

The direct staffing impact of worked up proposals is currently around 32 posts 18 of which are vacant. That number is likely to increase once final proposals are to hand.

IMPROVED PROCESSES

These options arise from rationalising and utilising new ways of working in delivery of services

Ref	BUDGET PROPOSAL	TARGET SAVING £K
1	Reduce the costs associated with the Occupational Health Service by re-procurement	50
2	Streamlining a range of support functions across the council	850
3	Develop a joined up citizen centred approach towards delivering services including Street cleaning /parks / well-being / health/ localism	500
4	More services into the Contact Centre	50
5	Review of transport services across the Council	100
6	Reduce Agency costs through use of the Association of Greater Manchester Authorities shared service scheme	500
7	Revision to the level of service in relation to short term stays	100
8	Re-focusing of the "Not School Project" within the Pupil Referral Service	161

Oldham Metropolitan Borough Council

9	Reduce the Partners support costs in the positive steps contract.	280
10	Additional income/reduction in costs -Tommyfield outdoor market.	25
11	Refocus of the 'Choices' Catering Service towards a trolley service for drinks and sandwiches	100
12	A single joint front office/admin for waste management, passenger transport and fleet management	25
13	Establishment of Corporate Property Group and adoption of a corporate approach to property management	50
14	To introduce a checking service for applicants submitting nationality applications to the Home Office to generate income	20
15	Reduction to the Organisational Development budget (S&R)	50
16	Reduction in the councils general budgets in Corporate Policy (S&R)	16
17	Selling the in-house print operation (PaGE)	250
18	Achieve savings before transfer of further services to the Unity Partnership	500
	Sub total	3627

EFFICIENCIES

These options arise from actions taken to make efficiencies in the organisation

Ref	BUDGET PROPOSAL	TARGET SAVING £K
19	Savings from more efficient purchase of goods and services	750
20	2007/08 target savings in current year (one-off)	700
21	Full use of web based recruitment advertising where appropriate	10
22	Introduce further initiatives to further reduce sickness absence levels	100
23	Use of external funds within the School Improvement service to support service delivery (one-off)	151
24	Outdoor Education - more efficient service delivery	14
25	External funds to support projects in the strategy and performance area. (CYPF)	25
26	Reduce budgets in non pay related areas (CYPF)	35
27	No inflation added to non-pay budgets (CYPF)	971
28	Service efficiency in relation to reduction of hours for a School Improvement Adviser	13
29	Use of carry forwards from 2006/07 (one-off)	768
30	One year savings generated from under spending in 2007/2008(CYPF)	300
31	One year contribution for CYPF Earmarked Reserve (one-off)	450
32	Safeguarding reserves CYPF – one year contribution (one-off)	300
33	Savings in Building Schools for the Future - seek to capitalise an element of the fees	300
34	Pay inflation not required due to fixed deal in contract for the transfer of services to the Unity Partnership	80
35	Delete the provision in the budget for non pay inflation (ENV)	933
36	Delete the non required element of the mortuaries budget	20
37	Utilisation of Economy and Enterprise funding in the Local Authority Business Growth Initiative	125
38	Recover the full costs of providing Human Resource services to external organisations	25
39	Delete from the budget monies carried forward from 2006/07 (S&R)	226

Oldham Metropolitan Borough Council

Ref	BUDGET PROPOSAL	TARGET SAVING £K
40	Contract for transfer of services to Unity Partnership allows no inflation on Contact Centre, Exchequer and ICT services	100
41	Reduce the number of issues of the Oldhamer published each year from 6 to 4, coupled to the introduction of ward newsletters	25
42	No inflation added to non pay related budgets (S&R)	252
43	Local Authority Business Growth Incentive Scheme – additional allocation due to extra growth	??
	Sub total	6673

PROPERTY

These options are property - based savings

Ref	BUDGET PROPOSAL	TARGET SAVING £K
44	Savings arising from the efficiency Review into the councils property holding and future requirements	1,000
45	Saving in the repairs and maintenance budget in CYPF Directorate (not including schools)	300
46	Site acquisition costs have been included as part of the overall future years financing package in the Building Schools for the Future scheme	507
	Sub total	1807

STAFFING

These options arise from reviewing the councils staffing compliment

Ref	BUDGET PROPOSAL	TARGET SAVING £K
47	Staff savings on senior posts at 1st 2nd, 3rd and 4th tiers, currently being agreed between the Chief Executive and Executive Directors	700
48	Review and rationalise the use of Interims / consultants	1,000
49	Reduction in management costs in the Aftercare service	50
50	Restructure the management of the Catering & Cleaning service	50
51	Delete the post of Senior Licensing Assistant	30
52	Delete one Environmental Health Officer/Senior Environmental Health Officer post	35
53	Do not fill vacant posts in the Regeneration Directorate	217
54	Managing in year vacant posts in the Regeneration Directorate (one-off)	31
55	Reduce the staffing costs in Corporate Finance (one-off)	117
56	Deletion of Service Development Manager post in corporate Human Resources	40
57	Restructure Area Management Team	30
58	Delete ICT Category Manager post in corporate procurement	47
59	Delete vacant posts in Equalities Service and make savings in the Translation Service in Organisational Development (S&R)	60
60	Re-assess the capacity required in the Strategy and Resources Secretariat	30
61	Delete one post and reduce various costs in the corporate Performance section	62
62	Review the proposed client / retained structure required to monitor the Unity Partnership	116
63	Delete the post of tourism development officer when external (part) funding expires	40
	Sub total	2655

MAXIMISING EXTERNAL FUNDING AND INCOME GENERATION

These are options generated by obtaining income from external sources

Ref	BUDGET PROPOSAL	TARGET SAVING £K
64	To obtain external grant funding for part of the Strategy and Performance Service (CYPF)	105
65	To obtain external grant income for the cost of a post in the Early Years service (CYPF)	20
66	To increase income from the Councils 'independent living' cleaning service by utilising spare capacity within the Cleaning Service	25
67	Additional income from Property Development and Investments	150
68	To charge the full amount of Council Tax for empty properties	200
69	Efficiencies savings in relation to the recruitment of newly qualified staff into posts (will not impact upon service delivery) (CYPF)	60
70	To increase income within (CYPF) ICT Strategy service from additional services to schools	30
71	Generate additional income within the study support service (CYPF)	25
72	Recover the full cost of Governor Support to schools	10
73	Additional fee income from increase in discretionary fees and charges in the CYPF directorate	373
74	Additional fee income resulting from the relocation of the Register Office to Chadderton Town Hall	10
75	Remove the subsidy from existing secondary school meals	70
76	Increased numbers of fixed penalty notices issued for offences committed under the Environmental Protection Act	50
77	Increase discretionary fees and charges by 5% with effect from 1 st January 2008 in Environmental Services.	1,010
78	Additional fee income in Planning from Housing Market Renewal and other significant new build schemes	75
79	Additional fee income in Building Control based on the Council requiring that OMBC Building Control is used on all major Council projects (e.g. BSF, HMR, PFI schemes, etc.)	50
80	Recover fee income from Housing Market Renewal in	50

Oldham Metropolitan Borough Council

Ref	BUDGET PROPOSAL	TARGET SAVING £K
	the Regeneration directorate	
81	Discretionary fees and charges increase to 5% in Strategy and Resources directorate	15
82	Full cost of Criminal Records Bureau checks recovered plus other CYPF savings	35
83	Increase fees and income at Oldham Theatre Workshop	40
84	Replacement of Street Scene external funding, through new funding regimes (currently £1m, – subject to negotiation)	TBA
85	Replacement funding for lost NRF on Area Management initiatives (currently £377k) – subject to negotiation	TBA
86	Replacement external funding for the Community Safety Unit (currently £225k) – subject to negotiation	TBA
	Sub total	2403