

# Budget saving options 2016/17 consultation document

The logo for 'Talking Oxfordshire' is a green speech bubble with a tail pointing downwards and to the right. Inside the bubble, the words 'Talking' and 'Oxfordshire' are written in white, stacked vertically.

## Introduction

Oxfordshire County Council provides more than three-quarters of the local government services in the county. They include:

- children's services and some education services
- roads and transport
- adult social care, supporting vulnerable adults and older people
- waste disposal and recycling
- fire and rescue and trading standards
- libraries and museums
- public health.

As government reduces funding to local government, the county council has to continue to make budget savings. At the same time demand for our services is increasing, partly due to our ageing and growing population, and increasing demand for children's social care services.

The council has already saved – or has plans to save – a total of £292 million between 2010/11 and 2017/18. We now think we will need to save up to £50 million more in the four years between 2016/17 and 2019/20.

As a result, county council services will be reduced and some may stop altogether. The services left will be targeted at those who really depend on them – particularly children at risk of abuse and neglect, and adults who cannot look after themselves.

## Why are we consulting?

The council has to set a budget every year. As part of that process, residents and service users can have their say on the budget savings options before they are considered by all councillors who vote on the budget in February.

## What are we asking people to consider?

The council is consulting on 95 savings options that we have identified across all areas of the council (excluding public health, which has a ring-fenced grant from government).

Overall, the total savings contained in this long list of options probably adds up to more than we think we will actually have to save. However we will not know the final savings target until government has told us about our funding for next year.

Before making more decisions about more savings, the council is consulting residents and service users early on in the budget setting process. Please think about this question:

- **How do you think these savings options might impact on people using the service or communities?** (you may comment on as few or as many of the savings options as you want)

No decisions have been made about whether to make any of these options into firm budget proposals.

## **Our purpose and priorities**

We support a thriving Oxfordshire by providing essential public services and helping people and communities take more responsibility for their own lives. Our priorities are:

- A strong and growing economy
- Keeping children safe
- A safety net for adults who can't look after themselves
- Helping communities thrive

Despite the need to reduce our services to save money we remain focussed on our ambition for the county. This can only be achieved by working with others, from parish councils to national government. We will:

- Work with local partners and national government to attract investment and plan for growth, particularly roads and schools
- Encourage people to volunteer and communities to help themselves
- Help parish and town councils respond to local needs
- Join forces with other councils and partners in Oxfordshire and beyond to attract investment and deliver services more efficiently

## **How is the council funded?**

The amount of money we have to spend on services comes from three sources:

- Funding from government (including money that goes straight to schools)
- Council Tax
- Charges for services and other income

Funding from government has been cut to help reduce the national deficit. Our 'revenue support grant' has reduced by £96m since 2010 – about half the total.

Taking account of the effect of inflation, Council Tax income has stayed the same for several years while demand for and cost of services has risen.

The council has looked carefully at charging for some services where it is legal to do so. Where possible, service areas have included charging for services as part of their budget savings options.

## Summary of finances

This year (2015/16), the council is due to spend £830 million on services, of which £257 million goes straight to schools.

Between 2010/11 and 2014/15, we saved £204 million per year and have plans in place to save a further £88 million per year by 2017/18.

Based on the government's summer budget and by making some prudent financial assumptions, we estimate that we will have to save a further £50 million per year between 2016/17 and 2019/20.

The savings options that we are publishing for public consultation are being considered to meet the new £50 million per year savings target.

## How has the council saved money so far?

Since 2010, the council has continually looked for ways to make savings and make its services more efficient including reducing our workforce; getting better deals when we buy goods and services; sharing services with other councils; using volunteers if appropriate, and making services easier to use online. Efficiency savings already made include:

- Centralised and contracted out running 'back office' functions such as finance and HR – we have saved over £30m since 2010
- We now employ a third fewer people (excluding schools) – the number of staff has fallen by 37% from 7500 at 2010 to 4700 in mid-2015
- Oxfordshire Fire and Rescue Service linked with Berkshire and Buckinghamshire fire services to create a joint control centre to save money, and we share internal audit provision with Buckinghamshire County Council
- We are in the lowest quarter of spenders among county councils on back office functions following a 40% reduction in senior managers and halving of middle managers, with a pay freeze followed by below-inflation rises for staff over recent years.
- Encouraging volunteers to supplement services such as community transport and libraries, with 22 now converted to a community/volunteer model.
- Removed more than 110 properties from the council's property portfolio and generated more than £62m – however these capital receipts cannot be used to fund services.

## Can you raise Council Tax?

Council Tax was increased last year by 1.99% and our budget plan assumes that we will raise it by 3% in 2016/17.

However in recent years, any council that wants to increase Council Tax by 2% or more has been required by government to hold a local referendum. This is a public vote on the proposed council tax level and would cost up to £800,000 to administer. In practice no other council in the country has yet held a referendum.

We have not yet been told if the referendum limit will be applied this year. If it is the same as previous years, we would have to meet the shortfall in reducing the council tax from 3% to 2% from additional savings – which are included in the estimated £50m savings we will need to make.

We are asking people if would prefer rises of 0%, 2%, 3%, 5%, 10%, 15%

## **Will the government's plan for business rates change the council's finances?**

The Chancellor recently announced plans to allow councils to keep business rates collected in their area by 2020. At the moment, business rates are collected by councils but passed on to government, which returns some of the money as a grant to pay for local services.

We do not know the details of how this would work, or the impact it would have on the county council – if any. However the Chancellor has said the plan would be 'fiscally neutral', which means overall there will be no new money for local government.

Until further details are provided, the county council will continue to plan its budget on the same basis as before – which includes the assumption that the government grant will continue to reduce each year.

## **How to take part in the consultation**

The savings options have been published online at [www.oxfordshire.gov.uk/budget](http://www.oxfordshire.gov.uk/budget). Hard copy information is also available in all libraries and county council offices.

Please take the time to read through the savings options and feedback your thoughts in the context of the budget limitations the council is facing. You can comment on any or all of them. You can also give us your view on our overall priorities.

We are strongly encouraging people who can submit comments online to do so, however we recognise that not everyone has access to the internet or has computer skills. Comments can be submitted in writing to:

Budget consultation  
FREEPOST OXFORDSHIRE COUNTY COUNCIL

(No further address details required)

**The consultation finishes until 9am on 30 November 2015.**

## **What will happen to the comments made in the consultation?**

The comments will be summarised and a report on the key points provided to councillors making decisions about the budget. All the responses will be published, but not the names of people who made. Please be careful about disclosing personal information in your comments that you would not want to be published – for instance names of children.

## **Have your say a one of our budget events**

We are holding three public events covering north, central and south areas of the county, where you can hear the Leader of the Council talk about the council's budget and have your say about the saving options being put forward.

The events are free and open to all, but people need to register in advance so we can manage numbers. To register to attend one of the events go to the budget savings options 2016/17 page online at [www.oxfordshire.gov.uk/budget](http://www.oxfordshire.gov.uk/budget). Comments made at the meetings will be summarised and included in the consultation feedback.

## **What happens to the consultation results?**

All the feedback we receive will be collated and summarised after the consultation ends on 30 November and sent to the performance scrutiny committee when it considers the budget options on 17 December 2015.

All the feedback will be taken into account by Cabinet when it considers its budget proposals on 26 January 2016, and by Council when it sets its budget on 16 February 2016.