

## Emergency budget engagement – interim report

### Executive summary

We have had a very positive response to the engagement so far:

- Approximately 7,500 people have signed the petition to government for a crisis fund
- We've secured a huge amount of local, regional and national media coverage of the council's budget plight to support our lobbying to government for crisis funding
- Almost 600 savings ideas have been put forward by the public and staff

A large proportion of the ideas received during the engagement are included in the list of savings proposals being considered by members for the emergency budget. This shows that those we engaged with are broadly in favour of many of the areas the council is looking at to make savings.

Savings ideas which have not been taken forward were usually because they can't be done by law or because it is thought that they would not generate a saving.

Some of the comments received demonstrated some unhappiness from residents that the council is considering making cuts and there were some views expressed that there was an over-reliance on the airport to fund services. Some other responses also suggested that there was confusion over how the council is funded and the types of services it needs to fund.

To counter the above, comprehensive FAQs has been produced and published to explain the financial situation in more detail, correct some of the myths and also to show residents and staff which of their ideas are being taken forward. The FAQs are attached as appendices.

Some of the key themes/ideas for savings which have been put forward so far include:

- **Streets and parking** – ie dim/turn off street lights, stop non-essential road improvements
- **Council office, buildings and land** – ie more staff working at home and reducing the council's office estate
- **Sports, leisure and culture** – ie review the offer/number of buildings and events the council funds
- **Parks, open spaces and grass** – ie have fewer grass cuts / create meadows with wild flowers
- **Capital projects** – ie stop/delay major building and infrastructure projects where savings can be achieved
- **Pay and salaries** – ie freeze recruitment at the council and have fewer higher-paid officers and managers
- **Debt Recovery** – ie chase more of the outstanding money owed to the council
- **Income generating ideas** – ie organise fundraising events, establish a lottery fund, trade more of the council services for profit
- **Community and volunteering** – ie get more volunteers to help with street services and other council services such as supporting the elderly and cleaning the streets

Some of the main concerns raised by residents during the engagement so far include:

- Cutting services to vulnerable people and the impact this could have on them
- Nervousness about any changes to black bin waste collections (but some support for reduced garden waste collections)
- That there is not enough clarity on the budget to make informed views.

The next phase of engagement we're currently in includes the council's detailed spend, income breakdowns and fuller picture of savings proposals to give people as much information as possible to make informed comments.

## Background

Covid-19 has thrown councils across the UK into turmoil but none more so than Luton Council which faces a £49 million deficit in our 2020-21 budget due to the massive reduction in revenue from our airport company, along with a drop in other commercial income, council tax income and business rates; and other costs. The council is able to draw on reserves to lessen the impact, but even after this one off injection of cash there is still a gaping hole in the budget of £22 million, hence the need to prepare an emergency budget in July.

Every effort has to be made to balance the budget by finding savings that do not directly impact on services and staff, however the impact is real and cannot entirely be avoided.

We have appealed to the public and council staff to support their council, firstly by signing a petition lobbying government for additional funding to stop essential services for our most vulnerable people being drastically cut or closed.

Secondly, we have asked them to put forward their ideas and savings proposals to help protect services as much as possible, and the people of Luton and staff did not disappoint as many ideas sent in are included in the emergency budget savings proposals.

This report is just an interim summary and people are encouraged to continue sending in suggestions and comments to [emergencybudget@luton.gov.uk](mailto:emergencybudget@luton.gov.uk), particularly on the full list of savings which have now been published. The consultation will close on 1 July and a report prepared to assist members in their decision-making at the emergency full council on 14 July.

## Engagement programme overview

The engagement activity started on 5 May 2020 and is being delivered in four stages of engagement. We are now in stage 3:

### **Phase one (started on 5 May)**

To have a dialogue with the public and staff to explain the funding crisis and the need for an emergency budget, alongside continued lobbying to government. At this stage there were no savings proposals published and residents were invited to send in concerns and ideas for savings and to give their views on where cuts could be prioritised. Q&As were developed and regularly updated and a member-led webinar was recorded.

**Phase two (started on 26 May):**

Budget consultation and engagement on the high-level 'ideas' currently under consideration to give the public and staff an idea of where savings are being looked at. Residents and staff sent in feedback online and by email with their savings proposals.

**Phase three (to start week 15 June):**

The more specific savings proposals have been published and people are encouraged to give their views. A series of video messages are being delivered by members and senior officers. The published list of savings makes clear what savings can be implemented right away and which ones require further service specific consultation and impact assessments before a decision is made by members. A final report will be included in the emergency budget papers.

**Phase four (to start after 14 July):**

Full service specific consultations and impact assessments on the key savings proposals that require it.

The council's senior leadership team have been reading all comments sent in by the public and staff to ensure that all proposals are duly considered and that all viable suggestions have been picked up and looked at in more detail.

**Engagement methodology and communication**

Due to the Covid-19 crisis and lockdown, no physical face-to-face meetings could take place. The methodology was therefore adapted to mainly online communication and engagement methods. However, it is recognised that it is important to reach out to members of the public who are not connected online and communication methods have been adapted where possible.

Below is a list of engagement methods used:

**Dedicated email addresses:** these were set up for staff and the public

**Online feedback form:** accessible from 'Luton-Let's talk', the council's consultation and engagement platform: [www.luton.gov.uk/letstalk](http://www.luton.gov.uk/letstalk)

**eLuton:** the engagement was launched via eLuton and then regular updates have been provided reaching over 33,000 Luton subscribers. The regular updates contain key information, webinars and video messages.

**ePetition:** working with our community, a petition was created to put pressure on government to provide emergency funding. Approximately 7,500 signatures have been collected so far, and we are aiming to get a total of 10,000 before the emergency budget meeting on 14 July in order to apply further pressure on the government through a further targeted lobbying effort backed by the community.

**FAQs:** put together from the questions and ideas received from the public and staff. Q&As are updated weekly and posted on the Intranet and website to keep people as up to date as possible, to respond to questions promptly and to bust common myths. See appendices for FAQs.

**Webinars and video messages:** from the corporate leadership team and members to increase engagement through a different method of communication for those who prefer listening rather than reading. The webinars were used not only to explain the current financial situation and need for an emergency budget but also to answer some of the questions raised and ideas proposed.

**Engagement workshops:** these have been set up with young people and community and faith groups and their views will be incorporated into the final report.

**Engagement with people in the community who do not have access online:** working together with the Strategic Community Services Team, all community, faith and voluntary sector organisations have been contacted about the emergency budget engagement and the council's call to submit concerns and ideas and ensure that their communities are represented.

**Staff engagement:** All departments have held meetings with their staff. In addition to the above, a dedicated page for the emergency budget was created on the Intranet holding relevant information, FAQs, staff focused webinars and video messages and various information to access support. The information is updated regularly.

**Other ways to reach staff:** To ensure that staff have every opportunity to access important council news and updates, key information has also been uploaded onto the eLearning platform, aimed at staff who cannot access the Intranet. There is small number of staff who do not have internet access and for these staff letters are being sent by post so they too can engage in the process.

**Management brief:** a summary update is sent to managers on key council information to help managers communicate important news and developments to their teams. The management briefs will include information on the emergency budget.

### What has the feedback been so far?

This section reports on the comments made by the public and staff.

Staff comments to a large extent mirrored comments from the public but as expected many were more service and process focused.

It should be noted that all savings ideas received by the public and by staff were read by the Corporate Management Team and every staff member who wrote in received a personal response from the Chief Executive. The engagement has been mainly positive and constructive.

	Staff	Public	Total
Number of emails or online forms sent in	105	151	256
Number of ideas put forward	246	327	573

*\*these numbers represent comments processed as of 11 June so the number today will be much higher. Comments are sent in daily*

A summary of these have been captured through the public Q&As (Appendix A) and staff Q&As (Appendix B). The Q&As show the breadth of excellent suggestions made and the responses given by the organisation. Many of these are being further explored.

The comments have been grouped in the following themes:

#### Streets and parking

A number of suggestions were sent in:

- dim or turn off street lights
- stop all planned works for road improvements e.g. installing new roundabouts and road surfacing
- use tarmac instead of concrete paving

- increase or introduce parking enforcement – the car park at Leagrave Park was cited as an example to introduce car parking charges to stop commuters using the location as free parking

### **Council office, buildings and land**

Many people observed that the majority of council staff had been working from home during the covid-19 lockdown and that this could be a new way of working for many enabling the council to sell stock, vacate rented offices or make a profit from a few council-owned premises.

Other suggestions were:

- collecting all outstanding monies from HMOs and office buildings
- allowing residents to buy council land if residents wish to extend their property boundary
- selling council owned housing stock

### **Sports, leisure and culture**

Some residents suggested that some of the leisure and sports facilities should be closed, and where possible sold to private investors. Others suggested to merge Active Luton and The Culture Trust; and to review all library and community services with possible reduced opening hours or closures.

Others felt that prices could be increased, especially to users outside of Luton and to review the large community events such as the carnival and fireworks displays.

One of the ideas was to make exhibitions available online and live-stream performances and for the public to access these at a cost. Library services should invest in widening their online book offer ie audio books, Kindle books.

### **Parks, open spaces and grass**

It was believed the council could save money by cutting grass less often and to leave parts of the parks and open spaces untouched to create meadows with wild flowers. One person suggested to mow paths in the park to allow easy public access.

### **Capital projects**

The majority of comments and suggestions around this theme related to the airport, DART and Vauxhall Way. Some residents called for the council to stop the airport expansion and other capital projects either temporarily or permanently and to abandon the work on Vauxhall Way and DART. Residents wondered if instead assets, including land owned by LLAL should be sold to plug the deficit.

Some also questioned why there was such heavy reliance on the airport to fund council and local services. Responses to these are included in the Q&A.

Other residents held a different view and said that the airport's closure would have devastating consequences for the local economy. A number suggested that the low cost of flying could be increased to bolster revenue.

The overriding message was to put on hold major non-essential projects where it could generate savings for the council.

## **Pay and salaries**

A number of suggestions were received on the topic of staff wages and councillor allowances. It was felt that in times such as these, as an act of solidarity, it should be considered for staff, mainly higher paid staff, to take a cut in wages and for councillors not to claim their allowance.

Other suggestions were to stop using consultants and contractors and to freeze all job recruitment.

There were also many suggestions to offer council staff voluntary redundancy, early retirement, a reduction in working hours, a career break or buying additional holidays in order to reduce compulsory redundancies. Other suggestions included removing car allowances and to end free parking for those staff that get it.

## **Debt recovery**

It was the general view that the council should chase all outstanding money owed.

Some other ideas were to:

- develop a scheme where residents can lend the council money to protect certain services for example interest free or through bonds for residents who wish to invest in their council
- negotiate all of the invoices/debts payable by the council including asking creditors for payment holiday

## **Income generating ideas**

The public and staff came up with some very inventive ideas for the council to save money. Some of these are already being explored.

Some of these ideas included:

- organising fundraising events
- establishing a lottery fund in Luton to sustain Luton services and projects
- increasing income from private advertising on council property
- providing low cost funerals (as a traded service)
- a drive-in cinema in car parks
- offering wedding packages at Wardown Park and Stockwood Park
- Using open spaces, such as Stockwood Park and Warden Hills as temporary campsites for holiday makers

We also received suggestions for making more of existing and new trading opportunities and to join up services with other local authorities.

## **Community and volunteering**

More involvement from the community in helping some of the council services was put forward as an idea by quite a few people, including for litter picking, keeping footpaths clear, neighbours getting together to care for their verges, flowers and shrubs on public land and parks, helping out vulnerable adults, reporting crime and antisocial behaviour. This was also seen by some as a way to improve communities coming together which has been so much more prevalent during the pandemic but also as a way to positively engage those involved in anti-social behaviour or community service.

### **Benefits and council services**

Some people offered to pay additional council tax, whereas others said that they would not be able to afford an increase. Others suggested that those who could afford it should contribute the bigger share. Others questioned the fairness of the method used for calculating council tax contribution and felt a review was needed. There was also a perception that the system is open to abuse and that this should be looking into and followed-up.

### **Looking after the vulnerable**

A number of people wrote in to express their concerns about how cutting back services would affect the most vulnerable in society with some writing about the strain Covid-19 had put on their own personal circumstances. As a result a number of people were referred to the appropriate services to help them access support.

Particular concern for the future of the following groups of people was expressed:

- elderly and children needing care support
- young people
- those accessing adult social care services
- those accessing mental health services (including children)
- those accessing educational support services

### **Waste and recycling**

A few people expressed concern that the council would reduce waste collection but others suggested a reduced or slightly revised service such as reducing garden waste and recycling but keeping the black bin waste as is. Some also suggested that the glass collection could be stopped altogether if bottle banks were made available.

Other ideas included:

- introducing modest charging for some services eg garden waste, large items
- having designated public areas to deposit compostable waste
- more fines for littering
- reducing opening hours or close one of the tidy tips
- joining forces with neighbouring authority for waste and recycling collections

### **Engagement and communications**

We received comments requesting further information about the proposed cuts and generally about how the council currently spends the budget. The information about the council spend has been made available online as part of the Q&As. More information on the proposed savings have been made available now as part of the engagement

### **Other**

Some of the other comments made have included:

- Concern expressed that children's centres will close and would be willing to pay a little extra for the sessions
- Plan for the next pandemic and reduce risk now

- Less important council activity should be shelved until the situation improves
- Turn all schools into academies
- Automate more of our processes
- Continue online meetings to cut down on the expense of travelling and printing

### What next?

- We are currently engaging on the full list of savings proposals which were published during the w/c 15 June.
- Engagement workshops with young people, community and faith leaders and the voluntary sector to get their views on the proposals and some of their concerns
- Staff engagement will continue in a more personalised way, led by corporate directors
- All comments received will continue to be considered as they come in up until 1 July and the Q&As will be updated regularly to keep staff and public up to date on developments
- A final report will be produced for Full Council on 14 July.

# Frequently Asked Questions – public

### Streets and parking

**Could a chargeable ‘fast track’ road route to the airport be created? Enforced by ANPR cameras, with possible reduced rates for taxis, residents and plane ticket holders**

This would take a considerable amount of resource and consultation to develop, and once the DART is complete we are aiming for this and other public transport to be the preferred method of travel for the majority of airport users.

**Could you put non-essential roadworks, maintenance and grass cutting on hold?**

We are reviewing our programme of works, however where projects have been started, or where disruption to residents will be reduced due to the lockdown, now is the best time to carry out that work.

**Why have you lost money from car park charges in the crisis? Do you know how much?**

In line with the government mandate that local authorities should provide free parking for NHS and care staff, the Council removed all car park parking charges for Council owned and managed car parks to support key workers and volunteers to easily access their places of work or other key locations (chemists, homes of patients/ vulnerable people etc.). Obviously with the country being in lockdown no-one else has allowed to be out so we are losing all the income we receive from people who normally pay to park when coming into work, town centre shops or to visit friends and family. Based on last year’s parking income – the cost of this is estimated to be around £125,000 per calendar month.

**Can the council switch off street lighting or use more energy efficient bulbs?**

The process towards using more efficient lighting has begun. We have already made significant savings by using LED lighting to dim street lights and with street lighting we must always balance costs with safety to the public.

### Council office, buildings and land

**Can the council sell off its office space and encourage staff to work from home more?**

As a result of Covid-19 staff have been working remotely where possible with overwhelming success and this is something we anticipate continuing in the future. Not only that but we expect the town's air quality to improve as a consequence of a reduction in car journeys which will help us achieve our commitment of making the town net-carbon Zero by 2040

## **Sports, leisure and culture**

### **Can the council sell off all leisure facilities to the private sector?**

The council is reviewing the offer of its leisure and cultural facilities. As part of this review, we are mindful that our leisure facilities offer more than just physical exercise opportunities and are intrinsic to the wider wellbeing of our communities and need to provide targeted services that are affordable and accessible to those in need.

## **Parks, open spaces and grass**

### **Can the council reduce some parks to meadows/open spaces which require less maintenance?**

The council has already reduced grass cutting in certain areas, allowing wild flowers and habitat to flourish. This has been appreciated by many and this may be something we can consider in our formal spaces without impacting on the enjoyment many take from our parks

## **Capital projects**

### **Can the council order all work on the DART be stopped to save money?**

Scheduled to open in 2021, work on the London Luton Airport-funded Luton DART is already at a very advanced stage with its major bridges, lengthy sections of the guideway, the core of both stations and some of the tunnelling already in place. The project continues to provide quality jobs and training for a local workforce and once operating will play a significant role in encouraging shift of passengers towards carbon neutral transport when travelling to and from the airport.

### **Can the council put the development of Power Court on hold?**

Whilst the development of Power Court would provide significant regeneration to Luton centre it is not a council project, but is owned by 2020 Developments which is seeking to build a new football stadium as a centre piece for the area.

## **Pay and salaries**

### **Has the council considered furloughing staff?**

Yes, we have furloughed staff where it meets the government guidance, ie in our services which trade externally.

### **Can the council reduce the overall cost of salaries of senior management salaries to save money?**

The council will have to look very carefully at everything it spends. We are having to review structures across the council at all levels, including those of senior management.

### **Can the council stop all current recruitment?**

The council is looking at proposals that would freeze recruitment in some non-critical areas

### **Can the council terminate the contracts of all interim staff/consultants?**

The council is committed to reducing the numbers of consultants and agency staff it uses and has already made significant inroads in to this and will continue to address this issue through improved recruitment and retention schemes that value and reward permanent staff members.

### **Council Budgets**

#### **How does the council spend its budget and how is this divided between services?**

Detailed figures grouped by Luton's management structures are published in the Budget Book approved by the council each year. This can be found on our website as part of the Executive Agendas. The budget for 2020/21 can be found [here](#)

There are also charts, which show figures grouped by Local Authority reporting categories on pages 18 and 19 of the Council Tax Booklet, which can be found [here](#).

#### **Could residents pay future Council Tax in advance this year to make up the budget, and then freeze their payments at a later date?**

This is not a viable option as Council Tax costs are re-calculated annually, and we do not yet have the data needed to make calculations for future years.

#### **Can the council increase council tax?**

Council tax, which is only a small proportion of our income, is already capped and we cannot increase it any more. The council currently has the lowest council tax in Bedfordshire and we have no desire to increase it putting further strains on household income.

#### **Why is the council in this position?**

The impact of coronavirus means our airport company has not been receiving any air passenger income so has been unable to pass on money to the council which we rely upon so heavily to fund many of your vital frontline services. Airport income is about half of all of our commercial income.

The other half comes from commercial rents, fees and charges and other trading income which is also massively reduced as a result of the crisis.

Over the last decade we have grown our commercial income to ensure that we could continue to deliver vital services in the face of massive drops in Government funding. On top of this, we will be receiving much less money through business rates, council tax, for this financial year.

Due to our successful activities over the last decade, commercial income makes up a larger proportion of our revenue than council tax to fund vital council services to our residents.

While almost all commercial organisations up and down the country have had a reduction in revenue due to the crisis, we are in a position where we still need to continue to deliver services to you.

#### **Is an emergency budget and cuts to services the only option?**

We have already made a [plea to the government to provide the council with emergency and fair funding](#) to help us through this crisis and have been lobbying through the [regional](#) and [national](#)

[media](#).

However if this money is not forthcoming we are compelled to consider painful solutions which will drastically affect services.

Many of you in the community are deeply concerned and have started an important [petition to the government asking for emergency funding](#) to avert what will be a disaster for the whole town. Please take time to sign it and pass it to others so together we can draw attention to the serious situation in which we find ourselves.

By law we have to produce and deliver a balanced budget. While we have financial contingencies in place meaning we don't have to take the full £49m we've lost out of our budget, plans are now underway to prepare an emergency budget this summer where we will need to take £22m out.

**Some figures say the council is facing a £49m shortfall this year and yet the emergency budget is looking at making savings of £22m. Can you explain these different figures?**

The council is able to draw on reserves to lessen the impact of the loss of income from the airport and other sources in order to reduce the total anticipated shortfall of £49m. Even after this one off injection of cash there is still a massive hole in the budget of £22m hence the need to make savings of that order.

**Has the council been too reliant on the airport?**

Luton faced huge challenges throughout the period of government austerity. Since 2010 the council has had to make savings of £138m due to reduction in government funding. Government grant has gone from £120m in 2010 to £10m this year.

Our response to crippling years of austerity was to create innovative income streams to decrease our reliance on government funding. This enterprising approach is what has kept the town afloat during these years.

Money from the successful growth and operation of the airport has helped to meet the cost of council services. However, this is only one of many commercial income streams we've created to avoid drastic cuts before now. We are the second most successful local authority in the country for bringing in commercial income. (38% of our income is commercial income compared to just 36% for council tax. Our total commercial income last year was £53m, of this the Airport accounts for £27m

**How much income does the council get from the airport?**

Our airport company has been able to pay us an increasing revenue each year to fund services before Covid-19 hit, rising from £7m in 2013 to £27m last year.

**How much money does the council hold in reserves and why can't it be used to pay for the anticipated shortfall?**

The council is using £23m of its reserves to meet some of the £49m in-year loss of income as a result of the Covid-19 crisis. While we have some additional reserves, these are designated for other purposes and contingencies, if required. Also the Chartered Institute for Public Finance and Accounting has very clear guidance regarding the use of reserves, namely that they cannot be drawn upon as a long-term solution for ongoing expenditure. While the future financial impact of the loss of income due to Covid-19 is still uncertain, we cannot afford to risk the long-term sustainability of the council's finances by depleting its reserves.

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**Has the council saved money from the airport and other income from previous years? If so why can't they use that to support services?**

LLAL's purpose is not to make a profit but to use the funds it receives from the airport in order to improve lives. The income it receives is used to fund vital council services, community organisations to support people in need and invest in future economic growth and job creation. LLAL is still exploring ways it can continue to support the VCS despite operations at the airport coming to a grinding halt.

**Why have you lost money from council tax and business rates in the crisis? Do you know how much?**

As a result of the coronavirus crisis, the economy has slowed down and we are facing the biggest contraction in the economy since the great depression of 1930. This is having an impact on the ability of people to be able to pay their council tax. We are receiving more and more council tax support claims and forecasting a huge rise in this over the coming months. Businesses are also being severely impacted by the crisis with many either closing or unable to pay their business rates at present. We are forecasting an £8m drop in income we usually receive from council tax and business rates which fund council services.

**With airport travel likely to be curtailed for the foreseeable future, why is the council continuing to invest in this?**

The council's airport company is entirely focused on supporting and improving people's lives, and driving economic and employment growth, both in Luton and neighbouring communities. We see it as vital that LLAL works hard not only to support safe passenger services at Luton but also continues to plan for how prudent investment in our stewardship of the airport can continue to benefit future generations.

This will be vital for supporting the local, regional and national recovery that will need to take place after the pandemic.

Since 2013 LLAL's ongoing investment in the airport has delivered a £21m yearly increase in revenue to the council and significantly offset the need for harder cuts to vital frontline services in Luton, even after taking the financing costs of our development programmes into account.

Its additional social investment in key voluntary and charitable services now exceeds £130m over the last 12 years, and the value of this has never been more clearly demonstrated than through the emergency support LLAL has been able to provide over the last few weeks to the inspiring community response to coronavirus.

**Income generating ideas**

**Could the council encourage the airport to increase their pricing, and in turn the income the council receives? E.g flight costs**

We need to ensure that passenger charges to airlines remain balanced in order for London Luton Airport to remain competitive in relation to other airports in the UK market, therefore any changes in these need very careful consideration.

**Could the council offer the Council Chamber for hire for events?**

The Committee Rooms are available to hire and we believe the Chamber will be a more attractive proposal following the refurbishment.

**Can the council stop using translators for services or materials?**

The council no longer translates materials as policy and only uses interpretation services when there are safeguarding issues that require us to fully understand a situation in order to protect vulnerable families.

**Does the council have any lease contracts that can be terminated? For example company cars.**

We will be reviewing all contracts to ensure we are getting absolute value for money, to drive further savings. We do not offer company cars.

**Could we run a lotto?**

This is worth considering but they are usually run to generate money for charities. We are also concerned about the resource to drive this at a challenging time.

**The council should make sure they take action against benefit fraud, there is still a lot of this happening in Luton**

The council is part of the Shared Anti-Fraud Service with local authorities across Hertfordshire and Bedfordshire to combat benefit fraud and would encourage anyone who is aware of, or suspects somebody of benefit fraud to report it here

[https://www.luton.gov.uk/Council\\_government\\_and\\_democracy/Fraud%20Investigation/Pages/default.aspx](https://www.luton.gov.uk/Council_government_and_democracy/Fraud%20Investigation/Pages/default.aspx)

**Community and volunteering**

**Can the council use volunteers or those doing community service to keep the streets clean and tidy?**

It is always a shame that the council needs to spend money on clearing up after antisocial individuals and we regret having to spend money on this. We already have wonderful volunteers across the town doing this and we invite as many people as possible to join in with the community clean up days held throughout the year. We are always looking for more volunteers and anyone interested in helping can email [volunteering@luton.gov.uk](mailto:volunteering@luton.gov.uk)

**Is there a way to consolidate advice agencies and their funding in Luton so there is no overlap? If the number of advice agencies were reduced then the number of management positions at these agencies could be cut back.**

A number of these organisations are independent of Luton Council and we therefore have no jurisdiction over how they are structured. However, where we are responsible for services, we will continue to ensure they are run in the most effective way possible.

# Frequently Asked Questions – staff

## Council budgets

### **Why is the council in this position?**

The impact of coronavirus means our airport company has not been receiving any air passenger income so has been unable to pass on money to the council which we rely upon so heavily to fund many of your vital frontline services. Airport income is about half of all of our commercial income.

The other half comes from commercial rents, fees and charges and other trading income which is also massively reduced as a result of the crisis.

Over the last decade we have grown our commercial income to ensure that we could continue to deliver vital services in the face of massive drops in Government funding. On top of this, we will be receiving much less money through business rates, council tax, for this financial year.

Due to our successful activities over the last decade, commercial income makes up a larger proportion of our revenue than council tax to fund vital council services to our residents.

While almost all commercial organisations up and down the country have had a reduction in revenue due to the crisis, we are in a position where we still need to continue to deliver services to you.

### **Some figures say the council is facing a £49m shortfall this year and yet the emergency budget is looking at making savings of £22m. Can you explain these different figures?**

The council is able to draw on reserves to lessen the impact of the loss of income from the airport and other sources in order to reduce the total anticipated shortfall of £49m. Even after this one off injection of cash there is still a massive hole in the budget of £22m hence the need to make savings of that order.

### **Is an emergency budget and cuts to services the only option?**

We have already made a [plea to the government to provide the council with emergency and fair funding](#) to help us through this crisis and have been lobbying through the [regional](#) and [national media](#).

However if this money is not forthcoming we are compelled to consider painful solutions which will drastically affect services.

Many of you in the community are deeply concerned and have started an important [petition to the government asking for emergency funding](#) to avert what will be a disaster for the whole town. Please take time to sign it and pass it to others so together we can draw attention to the serious situation in which we find ourselves.

By law we have to produce and deliver a balanced budget. While we have financial contingencies in place meaning we don't have to take the full £49m we've lost out of our budget, plans are now underway to prepare an emergency budget this summer where we will need to take £22m out.

### **Has the council been too reliant on the airport?**

Luton faced huge challenges throughout the period of government austerity. Since 2010 the council has had to make savings of £138m due to reduction in government funding. Government grant has gone from £120m in 2010 to £10m this year.

Our response to crippling years of austerity was to create innovative income streams to decrease our reliance on government funding. This enterprising approach is what has kept the town afloat during these years.

Money from the successful growth and operation of the airport has helped to meet the cost of council services. However, this is only one of many commercial income streams we've created to avoid drastic cuts before now. We are the second most successful local authority in the country for bringing in commercial income. (38% of our income is commercial income compared to just 36% for council tax. Our total commercial income last year was £53m, of this the Airport accounts for £27m

### **How much income does the council get from the airport?**

Our airport company has been able to pay us an increasing revenue each year to fund services before Covid-19 hit, rising from £7m in 2013 to £27m last year.

### **How much money does the council hold in reserves and why can't it be used to pay for the anticipated shortfall?**

The council is using £23m of its reserves to meet some of the £49m in-year loss of income as a result of the Covid-19 crisis. While we have some additional reserves, these are designated for other purposes and contingencies, if required. Also the Chartered Institute for Public Finance and Accounting has very clear guidance regarding the use of reserves, namely that they cannot be drawn upon as a long-term solution for ongoing expenditure. While the future financial impact of the loss of income due to Covid-19 is still uncertain, we cannot afford to risk the long-term sustainability of the council's finances by depleting its reserves.

### **Working from home/reducing office space**

#### **Can a greater proportion of staff continue working from home so that the council can stop renting expensive buildings, let or sell office space?**

A large number of colleagues have raised the possibility of reducing our need for office space through continued working from home, allowing us to either dispose of existing office accommodation or use it as a source of income.

This is very much part of the council's thinking for the future. Working from home works, as the last few weeks have proved. Obviously it is not an option for all services, but in many areas of the council we envisage that working from home for at least part of the time will become the norm.

Currently we are looking to arrange a phased return to offices and other council sites for those colleagues whose situation makes working from home impossible. However, social distancing

requirements mean that office capacity will be limited to approximately one third of the previous level, so working from home will continue to be the requirement for many people.

It will take some time to evaluate exactly how we can make use of any surplus office space that becomes available, but we recognise that this is a very real opportunity for the council to either reduce its expenditure or increase income, and will take full advantage of the opportunity.

### **Agency & External Staff**

**Are there any plans to reduce the number of consultants and agency staff we currently use, and where possible redeploy existing staff to those roles?**

We are working hard to increase the proportion of permanent workforce and have been starting with the managers. This is a process that has to be managed with the key objective of service delivery maintained as a priority, but minimising costs on agency appointments is definitely part of our plan going forwards.

**Does the council spend a significant amount on external legal services that could be delivered in house? Would there be the capacity to bring this in house, and if capacity allows, offer legal support as a traded service?**

We would always much rather use in house than external where possible and as the Unitary LA with the 2<sup>nd</sup> highest proportion of commercial income in the country are always keen to trade rather than cut.

### **Increasing Income**

**In the Food Legislation it allows Councils to charge for certain things including Food Hygiene Rating Scheme (FHRS) 'rescores'. Is this something we can introduce?**

This is absolutely something we should look into and has been raised with the relevant team.

**Is the council in a position to sell any of their housing?**

The council owns around 7,700 homes, most of which it lets out as council housing. Financial rules mean that these properties are held in their own separate account, so any sales would only be available within the council housing service rather than for the wider council as a whole. Therefore, there would be no financial benefit to selling council homes in this way. And we wouldn't want to do this anyway given the severe shortage of affordable accommodation in the town.

We do own some homes that are not let for council housing and therefore don't have the same financial restrictions. These are currently used as temporary accommodation for homeless households. If we sold them, we would still have to find housing for the homeless households living in them, which is usually more expensive to access.

**Could a chargeable 'fast track' road route to the airport be created? Enforced by ANPR cameras, with possible reduced rates for taxis, residents and plane ticket holders**

This would take a considerable amount of resource and consultation to develop, and once the DART is complete we are aiming for this to be the preferred method of travel for the majority of airport users.

**Could we operate an outdoor cinema at London Luton Airport, like Birmingham Airport?**

The company organising the tours are still considering the airport as a potential additional location. They are splitting the locations across the country based on catchment areas and proximity to each other. They have two locations in London already.

**Is development close to Stockwood Park a possibility? There is open space for a potential housing development near the redundant bowling green.**

This is a complex matter that would require the full backing of planners; members and residents, which may be hard to secure.

**We could hold a number of events, such as fun days, across the town where profits and entry fees go back to the council budget. The events would also be a chance to showcase the variety of services the council can offer residents.**

A very innovative idea. One of the many, many things that makes Luton special is the money donated by LLAL to the local VCS- circa £9m a year. Given we are having to reduce our support for the VCS sector going forward to £8m a year and our local voluntary and community sector organisations are so vital to making Luton work and helping the Council to function, it might be better that they are the beneficiaries?

**Would vending machines in council offices bring income back to the council?**

This seems logical, but in fact when we had the vending machines in offices previously we had to subsidise them as they didn't make a profit.

**Would a paid for phone line offering company for those in isolation generate income?**

This is something we would prefer to do through volunteers so that we are encouraging people out of isolation.

**Could the council expand its business opportunities, such as with an energy business or investing in solar energy farms?**

Unfortunately other Local Authority energy companies are not doing well financially currently. However we are looking at a solar farm investment working with Vauxhall and the airport.

**Has the council looked at advertising and sponsorship opportunities on council property, including screen advertising on the waste fleet?**

We already do this but are determined to increase advertising revenue and have been using industry best practice to help us shape our advertising and sponsorship strategy going forward, which will continue, and we welcome new ideas.

**Some councils operate a tip shop where folk can buy stuff that otherwise go to landfill. Such as furniture, mirrors, light fittings, timber, kitchen units, baths etc. is this an option for Luton?**

We can look into examples of this and see if this could work.

**Could the Highways team charge for pre-agreement consultations with developers?**

Thanks for the suggestion. We will explore this.

**Could open spaces, such as Stockwood Park and Warden Hills act as temporary campsites for holiday makers? As we are close to the Chilterns, the Chilterns cycleway and the Chilterns Way running around the town the region may become popular this year.**

We will certainly look into this and look at a business case.

**Could we look at holding a car boot sale in the town centre?**

This would be something we can look into in the future, once the lockdown is lifted.

**Would the council be in a position to offer large areas for airport parking?**

We do have plans for car parks as part of the Airport Plans

**Could we create a “Luton Lotto” for Luton postcodes only so the money stays in Luton?**

I would be interested to see examples of this in other areas.

### **IT development**

**Could we issue IT guidance to all staff when they receive new IT equipment, to ensure it has a good life expectancy?**

The modern devices we are deploying tend to have longevity and good battery life. Our replacement battery bill is tiny. However, here is some good advice regarding battery life, from a reputable source: <https://www.techradar.com/uk/news/mobile-computing/10-ways-to-make-your-laptop-battery-last-longer-513756>

**Will the council be exploring online meeting programmes such as Zoom and Microsoft Teams, in addition to Skype? This will save on rooms hire, travel expenses and parking etc?**

We will be looking at all of these areas you mention. Our Transformation and Technology team is currently testing an alternative business meeting option to Skype that will offer a considerably improved service. Keep an eye out for updates on this in the near future.

**Can the council make its documents digital, for example contracts?**

We will look into this idea.

**Many departments hold the same details on separate systems. Is there a single use system we could use to reduce licence fees across the council?**

We are currently looking into systems across the organisations to see if there can be any reductions.

**Could the council move to laptops and docking stations rather than desktops and Wyse terminals?**

We are absolutely moving in that direction and will continue to do so.

**Could departments with a large number of paper records go digital?**

Absolutely, and this will continue to be encouraged where possible.

## **Salaries, redundancy and staff T&Cs**

### **Will pay reductions and a suspension of pay awards be considered?**

The possibility of salary reductions has been considered, but could be counter-productive if it leads to a higher turnover. Across many roles within the council we are already paying a little less than other organisations and even with a smaller workforce we still need to keep and attract talented people.

Specifically, we already pay less than other councils at M3 and above. We generally pay more at below M3.

Regarding pay awards over the coming years, this is not really a matter the council can decide unilaterally as we are part of the national T&C negotiation.

### **Would a moratorium on all supplies and services, unless needed to deliver frontline or emergency services, be an option?**

This is an option that is currently being explored.

### **Could a council wide voluntary redundancy scheme be considered?**

It certainly is, and we will be opening up the Voluntary Redundancy Scheme in June.

### **Where there is capacity could we look at a reduction in hours for some staff?**

Where the needs of the service allow it is currently possible to vary/reduce hours. We will do more to promote this option.

### **Could a freeze on essential car user allowance and free parking be suspended for all staff, especially those working from home?**

This has been discussed, but at present Members and Unions aren't keen on changes to Terms and Conditions.

### **Could the council furlough some staff, as other authorities have?**

We have furloughed some where it meets the government guidance and have asked the LGA for guidance as we are aware that some councils might be going further than we are.

### **Would a freeze on all but statutory training save money?**

Whilst this might produce a short-term saving, there are arguments against it if we aren't developing our staff.

### **Could the council structure be flattened any further?**

We will be looking at the structure.

### **Will the flexible retirement scheme be promoted so those eligible can decide if they would benefit?**

We will look into making sure this process is clearly promoted so employees can see if it is an option for them.

## Service changes

**Could changes be made to waste collections, including looking at charges for garden waste, special waste collections, and the possibility of reducing households bins and collections in favour of collection points?**

These are interesting ideas. The waste services that we offer are currently being looked at to see what further savings can be made.

**Is there scope to pool/centralise services, such as PA support, across the council.**

We will look at this as we develop the proposals around the shape and function of the council.

**Would suspending large projects, such as the DART, be of financial benefit?**

Contractually it would cost us more money to pause or halt the DART project than to complete it. Additionally as part of the growth of the airport that has seen an increase in annual revenue to LBC from the Airport from £6m per year in 2013 to £27m last year (after the costs of financing the DART), we made a commitment to the airlines that we would deliver the DART.

**Could we look at anti-social behaviour fines, such as open alcohol, in the town centre?**

This is already in place

**Could enforcement officers (traffic, neighbourhood etc.) report issues they see when out and about, for example fly tipping and blocked drains?**

We will explore this idea.

**Could the library service be changed to be more of a digital book ordering service to save on building and staff costs?**

The Library Strategy is currently being looked at and this suggestion has been passed to the team for consideration.

**Could street lights be turned off or dimmed to save costs?**

The recent change in street lights is to LED lights that use a fraction of the energy of the old type and are cheaper to run. One of the proposals for Members to consider is to dim the lights by 50 per cent.

**Could becoming part of Central Bedfordshire Council make a number of savings?**

This would need to be decided by national government.

## Other Ideas

**The council could create a register of “street champions” who volunteer to litter pick, clean up their streets, paint fences, meet and greet and support vulnerable people- along the lines of the coronavirus champions. They could also support the council in delivering some of its advisory services locally.**

Really like this thinking, we will look into what can be done with this.

**To help invest in future growth locally, could we allow businesses who need to social distance their customers have more street space –chairs tables etc.**

A good idea which we will discuss with the relevant teams.