

## ***CABINET Agenda***

Date Monday 17 December 2018

Time 6.00 pm

Venue Lees Suite, Civic Centre, Oldham, West Street, Oldham, OL1 1NL

Notes 1. DECLARATIONS OF INTEREST- If a Member requires any advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote he/she is advised to contact Paul Entwistle or Sian Walter-Browne in advance of the meeting.

2. CONTACT OFFICER for this Agenda is Sian Walter-Browne Tel. 0161 770 5151 or email [sian.walter-browne@oldham.gov.uk](mailto:sian.walter-browne@oldham.gov.uk)

3. PUBLIC QUESTIONS – Any member of the public wishing to ask a question at the above meeting can do so only if a written copy of the question is submitted to the Contact officer by 12 Noon on Wednesday, 12 December 2018.

4. FILMING – This meeting will be recorded for live and/or subsequent broadcast on the Council's website. The whole of the meeting will be recorded, except where there are confidential or exempt items and the footage will be on our website. This activity promotes democratic engagement in accordance with section 100A(9) of the Local Government Act 1972. The cameras will focus on the proceedings of the meeting. As far as possible, this will avoid areas specifically designated for members of the public who prefer not to be filmed. Disruptive and anti social behaviour will always be filmed.

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### **MEMBERSHIP OF THE CABINET IS AS FOLLOWS:**

Councillors Chadderton, Chauhan, Fielding (Chair), Jabbar, Jacques, Mushtaq, Roberts, Shah and Ur-Rehman

Item No

- 1 Apologies For Absence
- 2 Urgent Business  
Urgent business, if any, introduced by the Chair
- 3 Declarations of Interest  
To Receive Declarations of Interest in any Contract or matter to be discussed at the meeting.
- 4 Public Question Time  
To receive Questions from the Public, in accordance with the Council's Constitution.
- 5 Minutes of Previous Meeting (Pages 1 - 12)  
The Minutes of the meeting of Cabinet held on 19<sup>th</sup> November 2018 are attached for approval.
- 6 Schools National Funding Formula (Pages 13 - 46)
- 7 Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2019/20 (Pages 47 - 62)
- 8 Single Use Plastics (Pages 63 - 80)
- 9 Contract Arrangements – Right Start Service, Bridgewater Community NHS Trust (Pages 81 - 92)
- 10 Oldham Housing and Social Welfare Advice Services Contract Extension (Pages 93 - 98)
- 11 Exclusion of the Press and Public  
That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraphs 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.
- 12 Contract Arrangements – Right Start Service, Bridgewater Community NHS Trust (Pages 99 - 110)
- 13 Oldham Housing and Social Welfare Advice Services Contract Extension (Pages 111 - 116)



**CABINET**  
**19/11/2018 at 6.00 pm**

**Present:** Councillor Fielding (Chair)  
Councillors Chadderton, Chauhan, Jabbar, Jacques, Mushtaq,  
Roberts and Shah

1           **URGENT BUSINESS**

There were no items of urgent business received.

2           **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

3           **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Ur-Rehman.

4           **PUBLIC QUESTION TIME**

There were no public questions received.

5           **MINUTES OF PREVIOUS MEETING**

RESOLVED that the minutes of the Cabinet meeting held on 22<sup>nd</sup> October 2018 be approved as a correct record.

6           **REVENUE MONITOR AND CAPITAL INVESTMENT  
PROGRAMME 2018/19 QUARTER 2 - SEPTEMBER 2018**

The Cabinet gave consideration to a report of the Director of Finance which provided them with updates on the Council's 2018/19 forecast revenue budget position and the financial position of the capital programme as at 30 September 2018 (Quarter 2), together with the revised capital programme 2018/22.

With regards to the Revenue position, Members were informed that the current forecast outturn position for 2018/19 was a projected favourable variance of £0.099m after allowing for approved and pending transfers to and from reserves.

The most significant area of concern was the People and Place Portfolio, in the main due to the transfer of Children's Social Care into this area. An update on the major issues driving the projections within this Portfolio was provided.

Cabinet was informed that action was being taken and would continue for the remainder of the financial year to address variances and take mitigating action.

The overall corporate position was being managed by offsetting favourable variances, most noticeably from capital, treasury and corporate accounting budgets, in part caused by the anticipated cost of borrowing and capital financing being lower than budgeted and the availability of additional Treasury

Management income and unringfenced grants not allocated to service budgets.



Members were provided with information on the Quarter 2 position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund. There were no significant issues of concern in relation to the HRA and Collection Fund, however, the DSG continued to be an area which was facing a financial challenge, with an increase in the projected year end deficit. Action was being taken with the aim of reducing the cumulative deficit and bringing the DSG towards a balanced position.

In relation to the Capital position, the Cabinet was informed of the most up to date capital spending position for 2018/23 for approved schemes. The 2018/19 capital programme budget had been revised to £49.523m at the close of Quarter 2, a net decrease of £40.135m from the original budget of £89.658 and a reduction of £10.499m from the £60.022m reported at Quarter 1. Actual expenditure to 30 September 2018 was £17.915m (36.18% of forecast outturn).

Members noted it was probable that the forecast position would continue to change before the year end with additional re-profiling into future years.

#### Options/Alternatives considered

- Option 1 - to approve the forecast revenue and capital positions presented in the report including proposed changes
- Option 2- to approve some of the forecasts and changes included in the report
- Option 3 - not to approve any of the forecasts and changes included in the report

#### RESOLVED that:-

1. The forecast revenue outturn for 2018/19 at Quarter 2 being a £0.099m under spend be approved.
2. The forecast positions for the HRA, Collection Fund and the DSG be approved.
3. The use of up to £5.9m of earmarked reserves to increase the Council's 2018/19 contribution to the Pooled Fund operating under a Section 75 agreement, to facilitate wider benefits to the Oldham Health and Social Care economy be approved.
4. The use of ear marked reserves as detailed in Appendix 1 to Annex 1 of the report be approved.
5. The revised capital programme for 2018/19 to the extended period of 2022/23, as at Quarter 2, be approved.

## **TREASURY MANAGEMENT MID-YEAR REVIEW REPORT 2018**



The Cabinet gave consideration to a report of the Director of Finance which advised them of the performance of the Treasury Management function of the Council for the first half of 2018/19, and provided a comparison of performance against the 2018/19 Treasury Management Strategy and Prudential Indicators.

The Cabinet were informed that the Council was required to consider the performance of the Treasury Management function in order to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017). The report set out the key Treasury Management issues, for Members' information and review, and outlined:

- An economic update for the first six months of 2018/19;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators);
- A review of the Council's investment portfolio for 2018/19;
- A review of the Council's borrowing strategy for 2018/19;
- Why there has been no debt rescheduling undertaken during 2018/19;
- A review of compliance with Treasury and Prudential Limits for 2018/19.

Options/ Alternatives considered:-

In order that the Council complied with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, the Council had no option other than to consider and approve the contents of the report. Therefore no options/alternatives were been presented for consideration.

RESOLVED that the following be approved and commended to Council:

1. Treasury Management activity for the first half of the financial year 2018/19 and the projected outturn position
2. Amendments to both Authorised Limit and Operational Boundary for external debt as set out in the table at Section 2.4.5 of the report.
3. Amendments to the Capital Financing Requirement (CFR) as set out in the table at section 2.4.5
4. Addition to the Treasury Management Strategy 2018/19 with regards to specified investments as presented at Appendix 3.

## **GROWTH DEAL 3 MAJOR SCHEME: OLDHAM TOWN CENTRE REGENERATION AND CONNECTIVITY**

The Cabinet gave consideration to a report of the Principal Officer, Transport and Highways Policy that

- Updated Cabinet on the progress to date in relation to the development and future delivery of the Growth Deal 3 Major Scheme: Oldham Town Centre Regeneration and Connectivity, which is part of the Greater Manchester Transport Capital Programme.
- Advised Cabinet of the Governance process associated with Growth Deal Major Schemes and the implications this has for Oldham, particularly in terms of resources and funding.
- Sought delegated approval for a number of matters to ensure that delivery timescales could be met and grant take-up was maximised.

Cabinet were informed that Oldham Council had been awarded a £6 million Local Growth Deal 3 grant by the Greater Manchester Combined Authority for a major scheme 'Oldham Town Centre Regeneration and Connectivity'. The spend deadline for this funding was March 2021.

The scheme had so far been granted Programme Entry status in the Greater Manchester Transport Capital Programme. The Combined Authority's governance process required the Council to prepare and submit Conditional and Final business cases to TfGM for approval before it could access the grant. Under the GMCA governance process, the scheme contingency would be held centrally by Transport for Greater Manchester (TfGM) in a single pot, rather than at individual scheme level.

Following submission of an outline programme to TfGM in June 2017, work was now underway to finalise the programme of works that would make up the scheme and to develop the Conditional Business case for submission to TfGM for approval. The programme was being designed to complement a final Town Centre Masterplan once agreed.

Cabinet noted that various delegated approvals were being sought which were intended to ensure that the programme could be delivered within the March 2021 spend deadline and grant take-up was maximised. The options available for procuring the works were also set out in the report.

Cabinet asked that their thanks be passed on to the officers involved in putting the bid together.

Cabinet was recommended to note:

- That the Greater Manchester bid to the third round of the Local Growth Fund in July 2016 included a £25 million bid for funding towards the Oldham Town Centre Regeneration and Connectivity scheme (1.1).
- That the Growth Deal 3 Major Scheme Oldham Town Centre Regeneration and Connectivity had been allocated £6 million and gained Programme Entry status in the Greater Manchester Transport Capital Programme on the basis of the Strategic Outline Business Case produced by Oldham Council for the June 2016 bid (1.3).

- That an outline programme for the £6 million was submitted to Transport for Greater Manchester in June 2017 (1.4).
- The GMCA governance process and guidance associated with Major Growth Deal funded schemes (2.1).
- That there were two main gateways to obtaining Full Approval following Programme Entry Status: Conditional Approval and Full Approval and that passing these gateways would be done through the submission of business cases (2.3).
- That TfGM had agreed that a hybrid governance process was more appropriate for this scheme which would involve obtaining Conditional Approval via GMCA for the overall programme under the Major Scheme governance process and subsequent Full Approval for sub-packages of work under the minor works governance process, which was delegated to the GM Transport Strategy Officer Group (2.6).
- That under the GMCA Governance Process, scheme promoters, including Oldham, were required to initially cash-flow their own scheme development and business case preparation costs. Subject to eligibility these would be recoverable on gaining Conditional Approval (3.1).
- That under the GMCA Governance Process, the contingency allowance for Growth Deal 3 schemes would be held centrally by GMCA, not by the scheme promoter, and would be at programme level rather than at individual scheme level (3.2).
- That Unity had been commissioned to progress scheme design, which was required to obtain Conditional Approval, and to ensure that delivery timescales aligned with the wider town centre regeneration programme. This involved spending Council resources which would be recovered from the £6 million Growth Deal 3 allocation on gaining Conditional Approval (4.3).
- That some schemes in the proposed GD3 programme already had scheme design and delivery budgets available in Oldham's transport capital programme, for example King Street Bridge (M0127) and Retiro Street (within M0121), which were being used to develop those schemes to Conditional Approval status. Achieving Conditional Approval status would enable scheme design costs to be reclaimed, which would free up resources in the transport capital programme. Further resources associated with scheme delivery would also be freed up when Full Approval status had been achieved (4.3).
- That delivery of some elements of the package had commenced, for example Middleton Road Bridge, which was providing match-funding (4.5).

Cabinet was recommended to agree:

- That authority was given to the S151 Officer and the Deputy Chief Executive People and Place to sign off the business case for submission to Transport for Greater

Manchester (TfGM) for Conditional Approval of the overall programme (2.8).

- That authority was given to the S151 Officer and the Deputy Chief Executive People and Place to sign off the mini business cases or shift statements for submission to TfGM for Full Approval of sub-packages of work (2.8).
- That Authority was given to the S151 Officer and the Deputy Chief Executive People and Place to sign off any requests to draw down central contingency during scheme delivery (3.2).
- To ringfence any freed up resources to the transport capital programme for delivery of other transport priorities to be agreed by the Cabinet Member for Neighbourhoods in consultation with Capital Investment Programme Board (4.4).
- That authority was given to the relevant Cabinet Member to make any changes to the GD3 programme deemed necessary after Conditional Approval had been attained (ie between Conditional Approval and Final Approval, and potentially during the scheme delivery phase (4.10)).

Options/Alternatives considered:

- Option 1 – to proceed with developing and delivering the Growth Deal 3 Major Scheme: Oldham Town Centre Regeneration and Connectivity by approving the recommendations. This would ensure that the project met the GMCA governance requirements and secure the necessary GMCA approvals to enable the development and delivery of the programme by March 2021, and maximise the take-up of the £6 million available.
- Option 2 – not to approve the recommendations. This would lead to delays in the development and delivery of the programme, which could result in the loss of grant funding and compromise the Council's reputation at GM level as an authority that delivers, which could impact on its ability to secure grants through other GM bidding opportunities.

RESOLVED that the Cabinet would consider the commercially sensitive information contained at Item 15 of the agenda.

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## **BROADWAY GREEN PHASE 2**

The Cabinet gave consideration to a report of the Principal Surveyor, Strategic Property Partnerships which updated the Council on the progress made with regard to Phase 1 of the Broadway Green development and sought approval to vary the Joint Venture legal agreements in accordance with the grant funding conditions from Homes England for Phase 2 of the Broadway Green Development.

Cabinet noted that The Broadway Green development (previously known as the Foxdenton scheme) was being promoted by a joint venture partnership between Oldham Council, Grasscroft Property and Seddon Construction. The



creation of the joint venture partnership and the terms of the partnership were approved by Cabinet on 16<sup>th</sup> December 2013.



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The site had detailed planning consent for a new link road and for the first phase of 97 family homes. It also had outline consent for up to 700,000 sq.ft of employment space, a further 373 new homes and a new linear park

Members were informed that the Broadway Green development had started on site in June 2017. The extent of the works completed so far included the first phase of the new link road, the creation of a development plateau for the first residential phase and highway improvements to the Eaves Lane/Broadway/Foxdenton Lane junction.

The phase 1 works had been substantially completed, meaning the first third of the link road from Foxdenton Lane was constructed, Redrow Homes were now on site building the first residential phase of the development and the highway works at the Eaves Lane junction had been completed.

In January 2018 the Council had been notified that it had been successful in its bid for £4.9m of Marginal Viability Funding, for Broadway Green Phase 2, on the basis that it would deliver approximately 373 new homes.

Options/Alternatives considered:-

- Option 1 - to approve the variation of the joint venture legal agreements. This would enable the works to continue on site.
- Option 2 - not to approve the variation of the joint venture legal agreements. This would mean there would be no grant funding from Homes England.

RESOLVED that the Cabinet would consider the commercially sensitive information contained at Item 16 of the agenda.

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### **ACQUISITION OF THIRD PARTY INTEREST IN OLDHAM PROPERTY LLP - ACQUISITION OF FORMER SAINSBURY'S, BLOOM STREET**

The Cabinet gave consideration to a report of the Director of Economy which outlined details of the proposal for the Council to enter into a land swap, which would see the Authority acquire the third party interests held by The Brookhouse Group ('Brookhouse') in the assets owned by Oldham Property LLP ('OPLLP'). A number of surplus, Council-owned assets – which were thought to have an equivalent value – would be used in exchange.

The report also provided details of the proposal for the Council to enter into an agreement with the Department of Education ('DfE') to lease the assets previously held by OPLPP for the purposes of a new secondary school.

The Cabinet were informed that Oldham Property LLP ('OPLLP') was a 50/50 joint venture company involving both the Council and The Brookhouse Group ('Brookhouse'). -The company was formed in February 2013 and originally set up to acquire the former Sainsburys store. Following acquisition, OPLLP entered into a car parking agreement which generated an income for the company.

In July 2013, OPLLP had acquired a vacant property at 11 Slater Street and demolished the building on it. This area had been left vacant and fenced. In addition OPLLP had exchanged contracts to purchase the Council owned, former Trans-Web property and a landscaped area fronting Manchester Street. Contracts for the former Trans-Web site were exchanged in September 2017, however it had not been possible to complete the agreement due to an ongoing delay in receiving final sign off from Homes England who, originally provided the Council with grant funding to complete the initial purchase of the Trans-Web site.

In November 2017, OPLPP secured planning permission (PA/339744/17) for the comprehensive redevelopment of the area, with authority granted for a new;

- A1 retail unit providing up to 90,000sq.ft of floorspace;
- A detached pod unit to provide A1 retail, A3 restaurant or A5 takeaway uses providing up to 2,000sq.ft of floorspace;
- A twelve-level multi-storey car park providing up to 376 parking spaces and associated ground parking (up to 196 spaces).

Following the grant of planning permission, OPLLP had completed the demolition of the former Sainsburys store, which had allowed the amount of pay and display car parking to be extended.

Cabinet noted that, in recent months, a local education provider had been working with officers to explore options for the possible development of a new, centrally-located secondary free school. Officers had identified a number of sites and offered three potential sites to the education provider, which included Bloom Street.

The land in and around Bloom Street provided the opportunity to provide a development within an existing, centrally located education quarter that benefitted from excellent public transport links. Following the acquisition of any interests held by Brookhouse, the Council would own an area of land measuring 4.64 acres with the further potential to increase this area through road closures.

In addition to the main Bloom Street site, this opportunity would also be able to utilise the facilities at West End Street which provided an additional 2.56 acres of currently underutilised sports and changing facilities, which lie less than 400 metres

away. In view of this, Officers had sought to engage with Brookhouse, with a view to acquiring their third party interest in the properties held by the company.

Options/Alternatives considered:-

- Do Nothing
- Seek to acquire the Bloom Street site based on Market Value only
- Make a cash payment based on the Brookhouse valuation
- Dispose of a number of existing Council assets as a cash equivalent to the Brookhouse valuation

RESOLVED that the Cabinet would consider the commercially sensitive information contained at Item 17 of the agenda.

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### **EASTERN GATEWAY AT OLDHAM MUMPS**

The Cabinet gave consideration to a report of the Director of Economy which sought approval for the delivery strategy for the Eastern Gateway development, site A at Mumps.

The Cabinet were informed that The Mumps Area/Eastern Gateway was a key area of opportunity and a catalyst for the regeneration of the Town Centre and the wider area. Development of the TfGM Park and Ride site at Mumps/ Prince Street was the first phase of a wider Masterplan, prepared by BDP in 2014, which set out a vision for a new Town Centre residential neighbourhood and a major new retail development to bolster Oldham's Town Centre retail offer.

In order to release the retail site for development, a replacement TfGM Park & Ride facility was required and Growth Fund 2 money was allocated towards the cost. The replacement car park was completed in January 2017, with the land swap completing mid-March 2017.

An outline proposal had been approved in principle by several interested parties who had provided offers for the site. The offers had been appraised by officers and external consultants. Whilst any agreement would be subject to a number of conditions precedent, the Council was now in a position to decide on the delivery strategy for the Eastern Gateway, site A.

Options/Alternatives considered:

Option 1: Sell Site A

Option 2: Do Not Sell Site A

RESOLVED that:

1. The delivery strategy for The Eastern Gateway, site A, be approved.
2. The current proposals in the delivery strategy for the remaining sites, approval of which will be sought subsequent to this report, be noted.

3. The Cabinet would consider the commercially sensitive information contained at Item 18 of the agenda.



## **CULTURAL QUARTER UPDATE**

The Cabinet gave consideration to a report of the Team Leader, Regeneration, which updated them on the development of the Cultural Quarter project to date and sought approval of the progress of OMA (Oldham Museum and Arts/Archive) into the next phase of contractor procurement. Approval was also sought to the development of feasibility options to consider delivery solutions for high-quality sustainable performance space in the town centre.

Members were informed that the cultural offer for Oldham would provide the widest possible participation and promote excellence in theatre, heritage and the arts. It would foster civic pride, act as a catalyst for economic growth and well-being and promote Oldham as a destination of choice for investors and cultural attenders.

Cabinet noted that the Outline Business Case (OBC) for OMA and OCT (Oldham Coliseum Theatre) was first agreed in April 2013, and then subsequently revised and agreed by Cabinet in April 2017. In August 2016, Gilbert Ash was awarded a pre-construction contract and this pre-construction activity had been concluded. Ellis Williams Architects had been engaged as a replacement for Mecanoo.

In relation to OMA, Members were informed that the designs had been further refined by the architects. The building had been secured and was ready for the next phase of the project. In May 2016 the Council had secured £3,379,000 from the Heritage Lottery Fund (HLF) towards the costs. This was supplemented by a commitment from a private contributor in the sum of £3,934,809 (previously £4,034,809).

An integral element of the OMA project was to provide off-site storage and archiving facilities, to accommodate those archives and collections which could not be accommodated within the refurbished and remodelled former library building and adjacent Gallery Oldham building. The location approved by Cabinet was Prince of Wales Units A & B and Kier had been commissioned to undertake a detailed feasibility study of these units.

Cabinet were informed that, in relation to OCT, the Arts Council for England (ACE) in September 2018 had recognised the increase cost of the project and value for money, and acknowledged the need to revisit proposals and recognise a new vision for the long term sustainability of theatre production. ACE had confirmed their continued support for a Town Centre arts and cultural performance offer.

Members noted that, in order to progress the realisation of the cultural vision for the theatre, a feasibility exercise should be implemented with a focus on cultural and performance solutions

that were sustainable and complimented current regional and national theatre ambitions. ACE were currently consulting on their new 10 year strategy which had a strong focus on diversity, collaboration and sustainability and there was an opportunity to align the theatre project and the cultural offer for Oldham closely to a strategic body for the arts and major funder.

Options/Alternatives considered:-

These were set out in the report in the restricted part of the agenda.

RESOLVED that the Cabinet would consider the commercially sensitive information contained at Item 19 of the agenda.

13 **COUNCIL PERFORMANCE REPORT SEPTEMBER 2018**

The Cabinet gave consideration to a report of the Head of Business Intelligence which provided a review of Council performance to September 2018.

The report provided the Cabinet with an overview of the Council's performance against priorities outlined within the Corporate Plan, which had been monitored in the period July to September 2018.

Options/Alternatives considered

To note the Council performance July to September 2018.

RESOLVED – That the Council Performance Report September 2018 be noted.

14 **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

15 **GROWTH DEAL 3 MAJOR SCHEME: OLDHAM TOWN CENTRE REGENERATION AND CONNECTIVITY**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 6 – Growth Deal 3 Major Scheme: Oldham Town Centre Regeneration and Connectivity

RESOLVED that the recommendations as detailed within the report be approved.

16 **BROADWAY GREEN PHASE 2**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 7 – Broadway Green Phase 2.

RESOLVED that the recommendations as detailed within the report be approved.



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17            **ACQUISITION OF THIRD PARTY INTEREST IN OLDHAM PROPERTY LLP - ACQUISITION OF FORMER SAINSBURY'S, BLOOM STREET**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 8 – Acquisition of Third Party Interest in Oldham Property LLP - Acquisition of Former Sainsbury's, Bloom Street.

RESOLVED that the recommendations as detailed within the report be approved.

18            **EASTERN GATEWAY AT OLDHAM MUMPS**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 9 – Eastern Gateway at Oldham Mumps.

RESOLVED that the recommendations as detailed within the report be approved.

19            **CULTURAL QUARTER UPDATE**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 10 – Cultural Quarter Update.

Members were informed that Recommendation 4 had been amended to delegate approval of the OMA outline and full business cases to the Cabinet Member for Economy and Enterprise in consultation with the Capital Investment Programme Board.

RESOLVED that the recommendations as amended and detailed within the report be approved.

The meeting started at 6.00 pm and ended at 6.32 pm



## Report to Cabinet

# Schools National Funding Formula

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Corporate Resources

**Officer Contact:** Anne Ryans Director of Finance

**Report Author:** Liz Caygill, Schools Finance Manager  
**Ext.** 1012

**17 December 2018**

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### Reason for Decision

Following the Government announcement at the end of July about School Funding for 2019/20 and subsequent consultation with schools and Schools Forum, it is necessary to consider options and agree an approach as to how the funding for Schools and Academies should be distributed in 2019/20.

### Executive Summary

This report provides a breakdown of the Dedicated Schools Grant (DSG) for 2019/20 and provides information about the National Funding Formula for Schools and High Needs Blocks for Oldham. It also presents a recommended approach for the distribution of the Schools block of the DSG to schools and academies from 2019/20.

The report highlights the consultation process that has taken place during October and November in order to consider a means of allocating resources for 2019/20 and a way forward in reducing the cumulative deficit on the DSG.

The report presents a preferred option which is to provide a minimum per pupil funding level of £3,500 per primary pupil and £4,800 per secondary pupil and for secondary schools IDACI (income deprivation affecting children index) has been included at 10% values. It also recommends the movement of 1% of funding from the Schools Block to the High Needs Block. This approach has been agreed by Schools Forum.

## **Recommendation**

It is recommended that:

- 1) Option 4 outlined in the report is approved, which provides a minimum per pupil funding level of £3,500 per primary pupil, £4,800 per secondary pupil and for secondary schools IDACI (income deprivation affecting children index) has been included at 10% values together with a 1% transfer of funding between the Schools and the High Needs Blocks.
- 2) The development of a DSG recovery plan continues as a means of reducing the cumulative DSG deficit in consultation with Schools Forum with the option of implementing the reduction to top up funding for mainstream and special schools and over capacity funding in special schools (as outlined in section 2.5) from September 2019 if necessary.



## Schools National Funding Formula

### Background

- 1.1 The Dedicated Schools Grant is a ringfenced grant payable to Local Authorities by Government for the funding of schools. Over a number of years, the Government is changing the way it funds schools via the DSG from locally agreed arrangements towards a standard means of allocating resources. This is known as the National Funding Formula (NFF).
- 1.2 There has been little change in arrangements between funding for 2018/19 and 2019/20 and therefore as will be explained later, there is no requirement for Authorities to move further to the funding allocation methodology introduced by the NFF in 2018/19. However there is a requirement for the Local Authority to consult with schools on the DSG allocation methodology that will be applied. Consultation on the 2019/20 Oldham DSG funding methodology has taken place with the consultation period running from 26<sup>th</sup> October to 23<sup>rd</sup> November 2018 and discussion at a meeting of Schools Forum on 28<sup>th</sup> November 2018.
- 1.3 The DSG is made up of 4 blocks of funding
  - Schools
  - High Needs
  - Early Years
  - Central Schools Services (new block).

The **Schools Block** covers funding for:

- a) Individual mainstream schools and academies
- b) Growth funding for planned growth by the LA in schools.

The **High Needs block** supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25 in a range of provision including special schools, mainstream schools, alternative provision, and independent specialist provision. The High Needs Block also funds Council centrally retained expenditure for High Needs.

The **Early Years block** covers:

- a) Two Year old Funding
- b) Early Years Funding in Schools and Private, Voluntary and Independent provision (PVI's)
- c) Centrally retained expenditure for under 5's.

The **Central Schools Services block** covers:

- a) Funding previously allocated through the retained duties element of the Education Services Grant (ESG) which was discontinued from 2018/19
- b) Central school services which includes the expenditure related to Schools Forum, Premature Retirements, Admissions service, ICT for schools and School Improvement

- c) School Licences
  - d) Statutory and Regulatory duties.
- 1.4 Each of the 4 blocks is determined by a separate National Funding Formula which calculates the funding due to Local Authorities. The Department for Education (DfE) has calculated the funding the Local Authority (LA) will receive for the Schools Block as if the National Funding Formula had been applied to schools. However, for 2019/20 and 2020/21 it will remain the role of the LA to determine the funding for schools and academies via their Local Funding Formula for the Schools Block. The National Funding Formula for schools will be introduced no earlier than 2021/22 which is a year later than originally announced. The continuation of a soft formula for 2020/21 allowing movement between funding blocks was announced by the Education and Skills Funding Agency (ESFA) in July 2018.
- 1.5 The 2019/20 indicative amount for Oldham which is available for Schools and High Needs is £223.874m (excluding the Early Years Block of £19.51m based on the 2018/19 allocation). This is £2.177m more than 2018/19. Final allocations for 2019/20 will be calculated using the October 2018 census which will be announced in December 2018. It will include LA allocations through a new growth factor. Members will be aware that when the 2018/19 DSG allocation was announced it was considerably higher than the indicative figures and therefore enabled a more generous funding allocation than had been modelled and presented to Cabinet for approval.
- 1.6 At this stage, there is no indication how fully implementing the NFF from 2021/22 will be funded, as it is subject to the next Government Spending Review.
- 1.7 The DfE has issued financial information on the funding schools would receive if the LA moved to a National Funding Formula for 2019/20 compared to their 2018/19 budget. These illustrative allocations are based on 2017 pupil data and characteristics. It should be noted that the NFF illustrative allocations provided to schools include a 0.5% per pupil increase for each school in 2019/20 compared to 2018/19. Each school can view the calculation of its budget.
- 1.8 An important consideration in Oldham is that the Dedicated Schools Grant (DSG) for 2018/19 is projecting a deficit of £4.710m. This is mainly due to additional costs of funding Special Schools, the Pupil Referral Unit and the additional number of children with statements in mainstream schools from the High Needs Block.
- 1.9 There is a requirement that the DSG is brought back into balance as soon as possible and officers are currently working on a DSG financial recovery plan which has been outlined to Schools Forum. Part of the financial strategy to bring the DSG towards a balanced position is the movement of funding between the Schools and High Needs DSG Blocks as explained later in the report. This movement of funding has been consulted upon with all schools and was included within the consultation documents issued on 26<sup>th</sup> October. The period of consultation ended on 23<sup>rd</sup> November. Having considered the responses to the consultation and following discussion, this movement of 1% between the Schools and the High Needs blocks was agreed at the meeting of Schools Forum on 28<sup>th</sup> November. As a consequence, Oldham is not able to pass on the 0.5% per pupil increase to schools as presented in the DfE schools funding illustrations. As advised above, this could change when final funding allocation information is received.
- 1.10 The DfE is currently consulting on the implementation of new arrangements for reporting deficits of the DSG. The consultation document suggests that a report will be required from all local authorities that have an overall cumulative DSG deficit of 1%

or more at the end of 2018 to 2019, outlining their recovery plans. Oldham's deficit for 2018/19 is currently 1.95% and there will be a requirement to submit a report.

1.11 The recovery plan should look to bring the overall DSG into balance within a maximum of three years. Where this is difficult for a local authority the DfE would look at evidence explaining the problem, and may accept a recovery plan that leaves some or all of the deficit accumulated to date outstanding. In all cases the DfE expects all local authority recovery plans to demonstrate how they will bring in-year spending in line with in-year resources within three years at most. The evidence to support a recovery plan should include:

- A full breakdown of specific budget pressures
- An assessment and understanding of the specific local factors that have caused an increase in high needs costs
- Evidence of how expenditure will be contained within future funding levels
- Details of movements between blocks
- Assumptions on future transfers between blocks of the DSG, if permitted in future years, and evidence of support from the schools forum and wider school community for these.

If an authority judges that it cannot recover its deficit within three years, the reason for this must be presented.

## 2. Current Position

### Schools Block

2.1 The DSG allocation for 2018/19 received by the Council is £241.089m. This is for all schools in the Borough including academies and therefore the formula about which the consultation with schools and academies has taken place. The timescale for agreeing a revised local funding formula for schools for 2019/20 is highlighted in the table below. The consultation process provided a wide range of views on the proposed funding formula to distribute funding. A key element in the consultation process is the decision of Schools Forum.

Consultation Stage	Date
Fair Funding Group	16 <sup>th</sup> October 2018
Consult schools	26 <sup>th</sup> October to 23 <sup>rd</sup> November 2018
Schools Forum	28 <sup>th</sup> November 2018
Cabinet Meeting	17 <sup>th</sup> December 2018
Schools Forum	17 <sup>th</sup> January 2019
Schools Block Formula to DfE	21 <sup>st</sup> January 2019

2.2 The Schools Block is ringfenced for 2019/20 but recognising that there are pressures on the High Needs Block, the DfE has allowed LAs to transfer 1% of funding from the Schools Block to the High Needs Block where:

- the DfE has previously approved a request to move more than 0.5% between blocks, and:
- there is continuing agreement to the transfer from Schools Forum.

Members will recall that Schools Forum agreed to a 1% movement between the Schools and High Needs Blocks for 2018/19. The principle of the continuation of this movement of funds had been discussed and agreed by Schools Forum and as a consequence all the consultation material had been prepared on this basis. This 1% movement was confirmed for 2019/20 (a sum of £1.899m) at its meeting on 28<sup>th</sup> November 2018. The evidence of the increasing pressures on High Needs budgets and the increase in the overall DSG deficit was accepted as justification for the transfer.

- 2.3 LAs also have the flexibility to set a minimum funding guarantee (MFG) for schools at a level between 0% and -1.5% per pupil to allow higher levels of protection locally. The MFG is a way of giving schools a guaranteed minimum increase in funding per pupil each year or limiting the amounts that can be deducted from a schools budget. It works by comparing a school's level of funding per pupil from one year to the next on a like for like basis, and in such a way as to exclude funding that could distort the per pupil value that is the basis for the guarantee. The baseline for the calculation is intended to cover as much of a school's budget as possible, current exemptions are Business Rates (because they are funded in the formula on actuals) and lump sum allocations because they do not relate to pupil numbers. The options highlighted in section 3 include the MFG.
- 2.4 In 2019/20 the DfE will provide a minimum per pupil funding level of £3,500 per primary pupil and £4,800 per secondary pupil. LAs may choose to apply it in their local funding formula at a lower level or not at all. The allocation options presented within section 3 include the minimum per pupil funding level of £3,500 per primary pupil and £4,800 per secondary pupil in line with the NFF values proposed by the DfE.

### **High Needs Block**

- 2.5 The indicative High Needs block allocation of £31.95m has increased by £1.027m between 2018/19 and 2019/20. The actual allocation for High Needs will change further having regard to changes in pupil and student numbers and their movement between Local Authorities through basic entitlement factor and import/export adjustment. As highlighted previously, Oldham has consulted with schools regarding the movement of funding between the Schools and High Needs Block. Therefore the LA asked for and received Schools Forum agreement to transfer 1% to the High Needs block as Oldham is currently spending £1.885m above the illustrative allocation for the High Needs block for 2019/20. Even after the approval to the transfer, the deficit on the DSG will still be evident. Therefore to reduce the deficit, the LA also consulted schools on further proposals to alleviate the pressure on High Needs funding and thus to help reduce the overall DSG deficit, as follows:
- Reducing top up funding given to mainstream schools with pupils with EHCP'S which is estimated to save £300k.
  - Reducing top up funding given to special schools which is estimated to save £200k.
  - Introducing new funding arrangements for over capacity over occupancy (over capacity) funding for Special Schools from the academic year 2019/20.

The impact of these proposals would be a saving to the DSG from April 2019 of approximately £500k per annum.

## Notional Allocations 2019/20

- 2.6 The notional allocations for Oldham so far notified to the LA and schools are based on October 2017 pupil numbers and will be confirmed in December 2018, once the October 2018 census is available. It is expected the final Schools Block settlement for Oldham for 2019/20 will be issued in the week commencing 17<sup>th</sup> December and will be based on the October 2018 School census numbers. The table below highlights the currently notified additional notional increase of £2.176m by block, based on October 2017 pupil numbers.

<b>Block</b>	<b>Notional Decrease / Increase</b>
Schools and Central Schools Services Block	£1.149m increase
High Needs	£1.027m increase
<b>Total</b>	<b>£2.176m increase</b>

- 2.7 Local authorities may topslice the Schools Block of the DSG in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority, including pre-opening, diseconomy of scale and reorganisation costs. In this regard the Schools Block predicted in the options tables in section 3 shows the funding available to schools at £188.1m which includes an estimated £1.72m for growth funding
- 2.8 For 2019/20, there will be a new approach for allocating funding to Local Authorities to support schools with significant in-year growth in pupil numbers. Local Authorities will be funded according to actual levels of pupil number growth, rather than on the basis of historic spend. Growth allocations for 2019/20 will be based on pupil data from the October 2018 census and will be part of the DSG allocation notification issued in December 2018. Appendix 1 details the current growth funding for Oldham schools.

## 3 Options / Alternatives

- 3.1 The currently available National Funding Formula values has 14 factors which influence funds allocation levels and these have been used to calculate the funding into the LA. However for 2018/19 and 2019/20 the distribution of funding can still have an element of local determination.
- 3.2 In 2018/19 Oldham moved fully to the national funding formula values in all but 4 of 14 factors. These are Basic Entitlement, Income Deprivation Affecting Children Index (IDACI), Lump Sum and Minimum Funding Levels. Until 2020/21 Oldham has the flexibility to set its own funding formula in order to distribute the school block allocation. A full move to the NFF in 2019/20 would mean that Oldham would not be able to address the High Needs pressures which currently exist.
- 3.3 Four options for Oldham's funding formula for 2019/20 have been modelled, all working on the basis of a 1% movement between the Schools and High Needs Blocks. Of these options, two (1 and 4) have been issued to schools for consultation and are shown below. The remaining two options (2 and 3) are shown in Appendix 2 and have not been issued as they result in a loss of funding for some schools and therefore do not align to the 4 principles upon which the consultation was based as set out below. Appendix 3 summarises the impact on schools for all options.

3.4 All options are based on current characteristics and are subject to change when the actual numbers of pupils on the October 2018 census is notified to the Council. This data will be released in late December 2018.

3.5 The options have all been based on 4 key principles:

- An understanding that the transfer of funding of 1% between the Schools and High Needs block had been accepted given the requirement to address the shortfall in funding for High Needs and the deficit DSG position.
- The presentation of what is considered to be the fairest allocation of resources for Oldham Schools and Academies having regard to prevailing pressures and issues
- to ensure that Oldham Schools are best placed for smooth implementation when the National Funding Formula for Schools is fully introduced
- the positive management of the DSG deficit position (subject to the agreement of Schools Forum).

### **Option 1**

3.6 **Continue to use Oldham's formula and move further to the National Funding Formula by providing a minimum per pupil funding level of £3,500 per primary pupil and £4,800 per secondary pupil with an MFG of zero per cent and a cap on gains.**

The impact of this option which moves further to the National Funding Formula within Oldham is:

- a) To set the minimum funding guarantee per pupil to 0% to ensure no school loses funding in 2019/20 as a result of formula changes with a maximum increase per pupil (capping - increase in school budget year on year) at 1.27%, in order to ensure an equitable allocation basis.
- b) No school loses and 31 schools gain funding. The table below demonstrates the allocations in total and that there remains a balance of £49,041 to distribute to schools. As the allocation of the remaining balance per school would be minimal, and therefore added to the Growth Fund. Appendix 4 details the impact per school of this option.

	£	£
Schools Block allocation		188,743,016
Proposed movement of funding to High Needs Block		(1,899,978)
Estimated additional DSG funding for growth Northmoor and Oasis Leesbrook		1,254,775
<b>Funding Available to allocate to schools</b>		<b>188,097,813</b>
Formula Allocation to Schools	185,631,854	
Business Rates contingency	110,000	
Business Rates adjustment	39,842	
PFI Inflation	94,134	
Northmoor, Oasis and Oasis Leesbrook growth	689,347	
Current funding allocated through schools block		186,565,177
Estimated explicit growth 2019/20 for planned expansions		960,981
Estimated provision for estimated general growth and Northmoor and funding to be allocated		522,614
<b>Balance Remaining</b>		<b>49,041</b>

#### **Option 4**

- 3.7 During the consultation period, schools requested a further option be modelled as set out below.

**Continue to use Oldham's formula and move further to the National Funding Formula by providing a minimum per pupil funding level of £3,500 per primary pupil and £4,800 per secondary pupil with an MFG of zero per cent and a cap on gains for Primary Schools and move further to the NFF for secondary schools. For secondary schools only bands E and F have been included at 10% NFF values funded by a reduction in basic per pupil entitlement.**

The impact of this option is:

- a) To set the minimum funding guarantee per pupil to 0% to ensure no school loses funding in 2019/20 as a result of formula changes with a maximum increase per pupil (capping - increase in school budget year on year) at 1.27%.
- b) No school loses and 32 schools gain. The table below demonstrates the allocations and that there remains £45,488 to distribute to schools. As the allocation of the remaining balance per school would be minimal, it would be added to the Growth Fund. Appendix 5 details the impact per school of this option.
- c) In this option compared to option 1, three secondary schools gain and 1 secondary school loses.

	£	£
Schools Block		188,743,016
Proposed movement of funding to High Needs Block		(1,899,978)
Estimated additional DSG funding for growth Northmoor and Oasis Leesbrook		1,254,775
<b>Funding Available to allocate to schools</b>		<b>188,097,813</b>
Formula Allocation to Schools	185,638,629	
Business Rates contingency	110,000	
Business Rates adjustment	39,842	
PFI Inflation	94,134	
Northmoor, Oasis and Oasis Leesbrook growth	686,125	
Current funding allocated through schools block		186,568,730
Estimated explicit growth 2019/20 for planned expansions		960,981
Estimated provision for estimated general growth and Northmoor and funding to be allocated		522,614
<b>Balance Remaining</b>		<b>45,488</b>

#### 4 Consultation

- 4.1 A meeting was held with the Fair Funding Group, on 16<sup>th</sup> October to consider the local approach to the funding allocation methodology. Following the discussion, further modelling was undertaken to look at moving further towards the National Funding Formula. Having reviewed the options the Local Authority decided to consult on Option 1 only as this was considered to be the fairest to all schools.
- 4.2 A consultation paper asking 8 questions and presenting Option 1 was issued to 104 individual schools and Academies on 26<sup>th</sup> October. The closing date of the consultation was initially set at 19<sup>th</sup> November, however during the consultation period questions were raised about Option 1 and the possible further movement towards the NFF for secondary schools. Option 4 was therefore prepared and issued on 13<sup>th</sup> November. The consultation period was then extended to 23<sup>rd</sup> November to allow time for the consideration of Option 4. All consultation comments have been collated and were presented to the Schools Forum meeting on 28<sup>th</sup> November.
- 4.3 Of the 104 schools/Academies that were consulted, responses were received from 43 (41%). The responses by type of school are set out in the table below.

Type of School	Number of Responses	Number Consulted	Response Rate
Primary	32	86	37%
Secondary	7	13	54%
Special	4	5	80%
<b>Total</b>	<b>43</b>	<b>104</b>	<b>41%</b>



4.4 The consultation questions and schools responses are set out in the table below and individual comment from schools are summarised in themes at Appendix 6. The Councils response as issued to the Schools Forum is set out at Appendix 7.

<b>Responses by Question</b>	<b>YES (Option 4 for Q8)</b>	<b>NO</b>	<b>Undecided</b>	<b>No Response</b>	<b>TOTAL</b>
1) Do you agree with continuing with the National Funding Formula values from 2018/19?	47%	42%	0%	12%	<b>100%</b>
2) Do you support a minimum funding guarantee of 0 % per pupil in 2019/20?	56%	33%	0%	12%	<b>100%</b>
3) If there is a significant change between years in the total Oldham characteristics, we are proposing to adjust the unit funding rate, so that the total 2019/20 funding through the factor, for each sector, will equal the 2018/19 funding after adjusting for the percentage change in pupil numbers in the sector between 2018/19 and 2019/20	84%	0%	5%	12%	<b>100%</b>
4) Do you support the Local Authority proposal of a transfer to the high needs block of 1% in 2019/20?	51%	40%	0%	9%	<b>100%</b>
5) Do you support the Local Authority proposal to reduce the top up rate in mainstream schools for 2019/20 to a total cost per hour per year of £608 from £631?	2%	98%	0%	0%	<b>100%</b>
6) Do you support the Local Authority proposal to reduce the top up rates in special schools for 2019/20 financial year?	58%	35%	2%	5%	<b>100%</b>
7) Do you support the Local Authority proposal to introduce over capacity funding for Special Schools for the academic year 2019/20?	77%	12%	0%	12%	<b>100%</b>
8) Which funding model do Secondary Schools prefer for 2019/20, Option 1 or 4?	86%	14%	0%	0%	<b>100%</b>

4.5 These responses and the key pressures facing schools, especially the High Needs Block were discussed at the Schools Forum. The outcome of the discussion and recommended approach is summarised below:

1) Overarching Funding Pressures

- There was a general recognition that there is considerable pressure on schools funding in all categories of school and this has been increasing year on year. Government funding allocations have not increased sufficiently to support the pressures.

- The funding for the High Needs Block is made up of 12 elements. 41% of the block is based on historic spend (2017-18 baseline), a fixed amount for hospital education, with the remainder being allocated on population, health, low attainment and deprivation (updated annually for changes in pupil numbers from the October census and the ONS estimated population). However this funding has not kept pace with needs.
- The pressures which have led to a deficit on the DSG are not unique to Oldham and reflect the increase in pupil numbers especially in the high needs block, but it is difficult to draw direct comparisons with other areas.
- It was recognised that a DSG recovery plan was required, however, Schools Forum was concerned about the implications as this would inevitably result in funding reductions around high needs in both mainstream and special schools.

## 2) Movement of the 1% funding from the Schools to High Needs Block

- In line with the principles underpinning the consultation material, the previous discussions at Schools Forum and the majority of consultation responses the movement between funding blocks was agreed.

## 3) Reduction in top up funding for mainstream schools and special schools and reduction in over capacity funding for special schools.

- There was support in consultation responses for the reduction in top up and over capacity funding for special schools, and very little support for a top up reduction for mainstream schools. However, it was agreed that there was a need to consider such changes in relation to the wider DSG recovery plan that is currently being developed. This recovery plan will report back to the April meeting of Schools Forum. Schools Forum was advised that reductions to top up and over capacity funding will be implemented from September 2019, the start of the 2019/20 academic year, if the consultation on the recovery plan proves inconclusive.

## 4) Schools Block Allocation Methodology

- In line with the consultation responses, Option 4 was agreed.

4.6 Detailed briefings were also provided to Members and senior officers highlighting the key issues.

## 5 Preferred Option

5.1 The preferred option for Oldham's funding formula for 2019/20 is Option 4 - to move further towards NFF by providing a minimum per pupil funding level for primary and secondary pupils. The principles that underpin this recommendation are set out at 3.5.

5.2 It is also preferred that there is no implementation of the revisions to top ups for mainstream and special schools and over capacity funding for special schools from April 2019. Work will continue on the development of a recovery plan for consideration by Schools Forum. However, Schools Forum was advised that the reduction to top up funding for mainstream and special schools and over capacity funding in special

schools from September 2019 (as outlined at 2.5) will be implemented if the recovery plan is not able to provide an alternative approach.

## **6 Financial Implications**

6.1 A key requirement of the Local Education Authority is to ensure the effective financial management of DSG resources. It is also important to ensure that those resources that are available for allocation to schools are distributed in a fair and equitable way. A particular concern in the context of the 2019/20 allocation of resources is that the DSG is already in a deficit position and this will continue unless steps are taken to manage spending within the resources available.

6.2 The agreed allocation methodology aims to promote effective financial management, fairness and equity in funding allocations and the developing recovery plan will determine the next steps in the process of reducing the DSG deficit.

## **7 Legal Services Comments**

7.1 The proposed decision is intra vires. In making the decision the usual considerations should be had in regards to “Wednesbury Reasonableness” and the results of the consultation with the Schools Forum should also be taken into account in formulating the decision. (Colin Brittain)

## **8 Co-operative Agenda**

8.1 The School Budget Allocations supports the council’s cooperative ambition empowering school staff to deliver high quality education for the residents of Oldham.

## **9 Human Resources Comments**

9.1 There are no specific comments.

## **10 Risk Assessments**

10.1 A key risk to the proposed allocation arrangement is the failure of the Schools Forum to agree to the movement of funds to the Schools Block. This risk has been mitigated. A further risk to the overall financial position of the DSG is the increasing level of deficit. The implementation of action arising from the recovery plan should begin to address this matter.

## **11 IT Implications**

11.1 There are no specific comments.

## **12 Property Implications**

12.1 There are no specific comments.

## **13 Procurement Implications**

13.1 There are no specific comments.

14 **Environmental and Health & Safety Implications**

14.1 None

15 **Equality, community cohesion and crime implications**

15.1 There are no specific comments.

16 **Equality Impact Assessment Completed?**

16.1 Not required

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 FCR-23-18

19 **Background Papers**

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

File Ref: Background Papers are contained in Appendices 1 - 7  
Officer Name: Liz Caygill  
Contact No: 0161 770 1012

20 **Appendices**

20.1 Appendix 1 – Current Growth Funding  
Appendix 2 – NFF Modelling Options 2 and 3 (Not included in schools consultation)  
Appendix 3 – Impact of Schools Funding Formula Options  
Appendix 4 – Option 1  
Appendix 5 – Option 4  
Appendix 6 – Summary of the Main Themes from the Schools Block Formula Consultation  
Appendix 7 – Council Response to Consultation Issued to Schools Forum

## Appendix 1

### Current Growth Funding

The total amount allocated to the Growth Fund within the Schools Block is £1.72m. Of this amount, £0.961m is explicit growth for schools where it has been already been agreed with the LA that there will be an increase in the planned admission numbers (PAN) by means of the provision of a school extension. The remaining Growth Fund is available within the Schools Block for allocation to schools.

The table below details how the explicit growth will be allocated to schools from 2019/20 to 2022/23.

School	Additional Places	Cost 2019/20 (£)	Cost 2020/21 (£)	Cost 2021/22 (£)	Cost 2022/23 (£)
East Crompton St Georges	30	48,778	48,778	0	0
Mills Hill	30	48,778	48,778	0	0
Propps Hall	10	16,259	16,259	0	0
Woodlands	15	24,389	24,389	0	0
Oasis Academy Limeside	30	48,778	48,778	48,778	0
St Herberts	5	8,130	8,130	8,130	8,130
Holy Trinity Dob Cross	5	8,130	0	0	0
Blue Coat	47	107,738	0	0	0
Saddleworth School	10	22,923	22,923	22,923	0
Greenfield School	30	48,778	48,778	48,778	48,778
Crompton House	112	323,215	323,215	323,215	323,215
Oldham Academy North	60	137,538	137,538	137,538	137,538
North Chadderton	30	68,769	68,769	68,769	68,769
Clarksfield	30	48,778	48,778	48,778	48,778
<b>TOTAL Estimated Additional Place/Cost Already Allocated</b>	<b>587</b>	<b>960,981</b>	<b>845,113</b>	<b>706,909</b>	<b>635,208</b>

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## Appendix 2

### NFF Modelling Options 2 and 3 (Not included in schools consultation)

#### Option 2

Continue to use Oldham's formula and move further to the National Funding Formula by providing a minimum per pupil funding level of £3,500 per primary pupil and £4,800 per secondary pupil with Prior attainment, Lump Sum and Basic per Pupil at NFF values and Income deprivation affecting children index (IDACI) bands E and F included at 20% NFF values. This option also includes an MFG of zero per cent and a cap on gains.

- a) The proposal is to set the minimum funding guarantee per pupil to 0% to ensure no school loses funding in 2019/20 as a result of formula changes. It is proposed to set the maximum increase per pupil (capping - increase in school budget year on year) at 1.27%.
- b) In this option no school loses and 30 schools gain. The table below demonstrates the allocations and that there remains £64,120 to distribute to schools. Appendix 1 details the impact per school of this option.
- c) When this option is compared to option 1, 3 schools gain but 10 schools lose

On the basis that no school should lose, this option is not progressed.

	£	£
Schools Block allocation		188,743,016
Proposed movement of funding to High Needs Block		(1,899,978)
Estimated additional DSG funding for growth Northmoor and Oasis Leesbrook		1,254,775
<b>Funding Available to allocate to schools</b>		<b>188,097,813</b>
Formula Allocation to Schools	185,624,912	
Business Rates contingency	110,000	
Business Rates adjustment	39,842	
PFI Inflation	94,134	
Northmoor, Oasis and Oasis Leesbrook growth	681,210	
Current funding allocated through schools block		186,550,098
Estimated explicit growth 2019/20 for planned expansions		960,981
Estimated provision for estimated general growth and Northmoor and funding to be allocated		522,614
<b>Balance Remaining</b>		<b>64,120</b>

### Option 3

**Continue to use Oldham's formula and move further to the National Funding Formula by providing a minimum per pupil funding level of £3,500 per primary pupil and £4,800 per secondary pupil, basic per Pupil at NFF values and Income deprivation affecting children index (IDACI) bands E and F included at 50% NFF values. This option also includes an MFG of zero per cent and a cap on gains.**

- a) The proposal is to set the minimum funding guarantee per pupil to 0% to ensure no school loses funding in 2019/20 as a result of formula changes. It is proposed to set the maximum increase per pupil (capping - increase in school budget year on year) at 1.27%.
- b) In this option no school loses and 31 schools gain. The table below demonstrates the allocations and that there remains £70,705 to distribute to schools. Appendix 1 details the impact per school of this option.
- c) In this option compared to option 1, 6 schools gain and 12 schools lose

On the basis that no school should lose, this option is not progressed.

	£	£
Schools Block allocation		188,743,016
Proposed movement of funding to High Needs Block		(1,899,978)
Estimated additional DSG funding for growth Northmoor and Oasis Leesbrook		1,254,775
<b>Funding Available to allocate to schools</b>		<b>188,097,813</b>
Formula Allocation to Schools	185,618,079	
Business Rates contingency	110,000	
Business Rates adjustment	39,842	
PFI Inflation	94,134	
Northmoor, Oasis and Oasis Leesbrook growth	681,458	
Current funding allocated through schools block		186,543,513
Estimated explicit growth 2019/20 for planned expansions		960,981
Estimated provision for estimated general growth and Northmoor and funding to be allocated		522,614
<b>Balance Remaining</b>		<b>70,705</b>



## Appendix 3

### Impact of Schools Funding Formula Options

A summary of the impact of the options is shown below.

These options show the impact of each option compared to the 2018/19 funding allocation. It also shows the change compared to Option 1.

	OPTION 1	OPTION 2	OPTION 3	OPTION 4
Number of Schools with no change (compared to 2018/19)	68	69	68	68
Number of schools gaining (compared to 2018/19)	31	30	31	31
Number of Schools with no change (compared to Option1)		86	81	95
Number of schools gaining (compared to option 1)		3	6	3
Number of schools seeing a reduction (compared to option 1)		10	12	1

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**Summary of indicative school block allocations for 2019/20 compared to 2018/19**

\* Indicative allocations for 2019/20 are based on 2018/19 pupil numbers and characteristics and premise allocations

\* Schools receiving the minimum per pupil factor are exempt from capping and scaling

DFE NO	SCHOOL	2018/19 Actual Schools Block	2019/20 indicative Schools Block (0.00% MFG, 1.27% CAP) no changes to cash values	Difference to 2018/19	
				£	%
2000	Alexandra Park Junior	1,532,287	1,549,939	17,652	1.15%
2007	Richmond Primary	1,841,778	1,845,319	3,541	0.19%
2002	Beever Primary	1,009,703	1,020,974	11,271	1.12%
2008	Freehold Community	1,727,231	1,727,231	0	0.00%
2010	Greenacres	959,302	969,906	10,604	1.11%
2018	Lyndhurst Primary	1,629,126	1,629,126	0	0.00%
2017	Limeside Primary	1,327,301	1,327,301	0	0.00%
2022	Roundthorn Primary	961,662	961,662	0	0.00%
2020	Woodlands	1,149,719	1,149,719	0	0.00%
2033	Limehurst Primary	1,414,829	1,414,829	0	0.00%
2034	Mayfield	959,225	959,225	0	0.00%
2044	Littlemoor Primary	1,260,059	1,274,443	14,384	1.14%
2047	Glodwick Infant and Nursery	1,230,142	1,244,264	14,122	1.15%
2052	Mills Hill Primary	1,935,193	1,939,597	4,404	0.23%
2054	Mather Street Primary	906,157	906,157	0	0.00%
2058	Blackshaw Lane Primary	844,542	844,542	0	0.00%
2062	South Failsforth Primary	1,489,812	1,489,812	0	0.00%
2064	Whitegate End Primary	881,034	881,034	0	0.00%
2065	Rushcroft Primary	889,010	889,010	0	0.00%
2069	Fir Bank	872,996	872,996	0	0.00%
2071	Propps Hall	801,786	801,786	0	0.00%
2075	Diggle	734,351	734,351	0	0.00%
2076	Friezland Primary	497,443	497,443	0	0.00%
2077	Greenfield	804,992	804,992	0	0.00%
2078	Springhead Infant	885,825	885,825	0	0.00%
2079	Delph Primary	775,866	775,866	0	0.00%
2080	Knowsley Junior	1,305,769	1,320,704	14,935	1.14%
2085	Buckstones	797,640	797,640	0	0.00%
2091	Beal Vale Primary	863,338	863,338	0	0.00%
2093	Thorp	806,737	806,737	0	0.00%
2023	Willowpark	976,736	976,736	0	0.00%
2095	Broadfield	1,353,880	1,369,607	15,727	1.16%
2097	Greenhill	1,876,288	1,876,288	0	0.00%
2098	Horton Mill Primary	1,052,728	1,052,728	0	0.00%
2099	Burnley Brow Community	1,814,565	1,835,600	21,035	1.16%
2013	Alt Primary	1,395,048	1,395,048	0	0.00%
2014	Westwood	913,709	922,146	8,437	0.92%
2109	Stanley Road Primary	1,760,707	1,760,707	0	0.00%
2110	Crompton Primary	836,474	836,474	0	0.00%
2111	Medlock Valley Community	1,436,299	1,436,299	0	0.00%

DFE NO	SCHOOL	2018/19 Actual Schools Block	2019/20 indicative Schools Block (0.00% MFG, 1.27% CAP) no changes to cash values	Difference to 2018/19	
				£	%
2112	Clarksfield Primary	1,714,757	1,714,757	0	0.00%
2113	Yew Tree Community	2,314,399	2,314,399	0	0.00%
3005	Woodhouses	544,691	545,166	475	0.09%
3007	St Annes CE Lydgate	769,685	769,685	0	0.00%
3008	St Chad's CE Saddleworth	999,039	999,039	0	0.00%
3009	Holy Trinity Dobcross	774,213	774,213	0	0.00%
3010	Thornham St James' CE	775,498	775,498	0	0.00%
3011	Christ Church Denshaw	475,812	475,812	0	0.00%
3012	Hey With Zion	1,088,632	1,088,632	0	0.00%
3303	St. Thomas Moorside CE	1,001,533	1,001,533	0	0.00%
3315	St Thomas CE Werneth	1,846,474	1,846,474	0	0.00%
3325	St Hugh's CE Primary	985,482	996,585	11,103	1.13%
3326	St Agnes CE	474,952	474,952	0	0.00%
3328	Holy Rosary RC Primary	885,747	895,573	9,826	1.11%
3329	St Hilda's CofE Primary	1,677,533	1,697,380	19,847	1.18%
3330	St Martin's CE Primary	1,116,863	1,116,863	0	0.00%
3333	St Margaret's C.E.	1,292,841	1,302,076	9,235	0.71%
3341	Christ Church Primary Chadderton	1,081,935	1,081,935	0	0.00%
3342	St Luke's CE Primary	907,058	907,058	0	0.00%
3344	St Matthew's	1,486,100	1,486,100	0	0.00%
3345	East Crompton St James CE	823,616	823,616	0	0.00%
3346	St Mary's CE High Crompton	785,081	785,081	0	0.00%
3347	St Johns Primary	1,075,513	1,075,513	0	0.00%
3351	St Thomas CE Leesfield	881,110	881,110	0	0.00%
3353	St. Anne's CE Primary	1,069,926	1,069,926	0	0.00%
3355	East Crompton St Georges CE	938,237	938,237	0	0.00%
3358	Corpus Christi RC Primary	1,222,773	1,236,863	14,090	1.15%
3359	St Joseph's RC Primary	803,896	803,896	0	0.00%
3362	St Edwards RC Primary	985,296	985,296	0	0.00%
3363	SS Aidan & Oswald's RC Primary	1,557,915	1,557,915	0	0.00%
3364	St Herbert's RC	1,119,174	1,119,174	0	0.00%
3366	Greenfield St Mary's CE	762,989	762,989	0	0.00%
3400	Holy Family RC	932,529	932,529	0	0.00%
3401	St Anne's RC	935,624	946,084	10,460	1.12%
3402	St Patrick's RC	944,045	954,619	10,574	1.12%
3403	St Mary's RC Primary	1,527,450	1,527,450	0	0.00%
3503	St Paul's CE Primary	857,790	857,790	0	0.00%
3504	Higher Failsworth Primary	1,579,664	1,588,536	8,872	0.56%
2009	Coppice Primary	1,955,566	1,955,566	0	0.00%
3506	Bare Trees Primary	2,611,924	2,642,987	31,063	1.19%
3507	Royton Hall Primary	1,261,922	1,261,922	0	0.00%
3508	Werneth Primary	1,798,483	1,798,483	0	0.00%
3393	Holy Cross C.E.V.A. Primary	1,889,191	1,911,738	22,547	1.19%
3509	Hodge Clough Primary	1,623,420	1,623,420	0	0.00%
2003	St Theresa's RC Primary	938,025	938,025	0	0.00%
2016	Northmoor Academy	2,251,775	2,278,792	27,017	1.20%
	<b>TOTAL PRIMARY</b>	<b>101,857,467</b>	<b>102,168,688</b>	<b>311,221</b>	<b>0.31%</b>

DFE NO	SCHOOL	2018/19 Actual Schools Block	2019/20 indicative Schools Block (0.00% MFG, 1.27% CAP) no changes to cash values	Difference to 2018/19	
				£	%
4011	The Hathershaw College	£ 5,807,873	£ 5,807,873	0	0.00%
4022	Royton & Crompton	5,848,240	5,876,864	28,624	0.49%
4006	Failsworth	8,350,844	8,416,108	65,264	0.78%
4026	Saddleworth	6,465,153	6,585,906	120,753	1.87%
4027	North Chadderton	6,221,053	6,221,053	0	0.00%
4028	The Radclyffe	8,749,986	8,790,467	40,481	0.46%
4600	The Blue Coat	5,908,940	5,987,523	78,583	1.33%
4605	Crompton House	5,053,299	5,165,962	112,663	2.23%
4608	Blessed John Henry Newman College	8,261,709	8,261,709	0	0.00%
4004	Waterhead Academy	6,984,325	7,068,180	83,855	1.20%
6905	Oasis Academy Oldham	8,214,569	8,214,569	0	0.00%
6906	The Oldham Academy North	6,405,329	6,405,329	0	0.00%
9999	Oaslis Leesbrook Free School	658,803	661,623	2,820	0.43%
<b>TOTAL SECONDARY</b>		<b>82,930,123</b>	<b>83,463,166</b>	<b>533,043</b>	<b>0.64%</b>
<b>TOTAL ALL SCHOOLS</b>		<b>184,787,590</b>	<b>185,631,854</b>	<b>844,264</b>	<b>0.46%</b>
	Rates Contingency		110,000		
	RATES Adjustment		39,842		
	PFI Inflation		94,134		
	Northmoor, Oasis & Oasis Leesbrook Growth		689,346		
<b>TOTAL ALL SCHOOLS</b>		<b>184,787,590</b>	<b>186,565,177</b>		

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**Summary of indicative school block allocations for 2019/20 compared to 2018/19**

\* Indicative allocations for 2019/20 are based on 2018/19 pupil numbers and characteristics

\* Schools receiving the minimum per pupil factor are exempt from capping and scaling

DFE NO	SCHOOL	2018/19 Actual Schools Block	2019/20 indicative Schools Block (0.00% MFG, 1.27% CAP & Revised IDACI SECS BASED ON 2018/19 PUPIL NUMBERS & CHARACTERISTICS & PREMISE ALLOCATIONS)	Difference	
				£	%
2000	Alexandra Park Junior	£1,532,287	£1,549,934	£17,647	1.15%
2007	Richmond Primary	£1,841,778	£1,845,319	£3,541	0.19%
2002	Beever Primary	£1,009,703	£1,020,974	£11,271	1.12%
2008	Freehold Community	£1,727,231	£1,727,231	£0	0.00%
2010	Greenacres	£959,302	£969,906	£10,604	1.11%
2018	Lyndhurst Primary	£1,629,126	£1,629,126	£0	0.00%
2017	Limeside Primary	£1,327,301	£1,327,301	£0	0.00%
2022	Roundthorn Primary	£961,662	£961,662	£0	0.00%
2020	Woodlands	£1,149,719	£1,149,719	£0	0.00%
2033	Limehurst Primary	£1,414,829	£1,414,829	£0	0.00%
2034	Mayfield	£959,225	£959,225	£0	0.00%
2044	Littlemoor Primary	£1,260,059	£1,274,443	£14,384	1.14%
2047	Glodwick Infant and Nursery	£1,230,142	£1,244,264	£14,122	1.15%
2052	Mills Hill Primary	£1,935,193	£1,939,597	£4,404	0.23%
2054	Mather Street Primary	£906,157	£906,157	£0	0.00%
2058	Blackshaw Lane Primary	£844,542	£844,542	£0	0.00%
2062	South Failsworth Primary	£1,489,812	£1,489,812	£0	0.00%
2064	Whitegate End Primary	£881,034	£881,034	£0	0.00%
2065	Rushcroft Primary	£889,010	£889,010	£0	0.00%
2069	Fir Bank	£872,996	£872,996	£0	0.00%
2071	Propps Hall	£801,786	£801,786	£0	0.00%
2075	Diggle	£734,351	£734,351	£0	0.00%
2076	Friezland Primary	£497,443	£497,443	£0	0.00%
2077	Greenfield	£804,992	£804,992	£0	0.00%
2078	Springhead Infant	£885,825	£885,825	£0	0.00%
2079	Delph Primary	£775,866	£775,866	£0	0.00%
2080	Knowsley Junior	£1,305,769	£1,320,704	£14,935	1.14%
2085	Buckstones	£797,640	£797,640	£0	0.00%
2091	Beal Vale Primary	£863,338	£863,338	£0	0.00%
2093	Thorp	£806,737	£806,737	£0	0.00%
2023	Willowpark	£976,736	£976,736	£0	0.00%
2095	Broadfield	£1,353,880	£1,369,607	£15,727	1.16%
2097	Greenhill	£1,876,288	£1,876,288	£0	0.00%
2098	Horton Mill Primary	£1,052,728	£1,052,728	£0	0.00%
2099	Burnley Brow Community	£1,814,565	£1,835,600	£21,035	1.16%
2013	Alt Primary	£1,395,048	£1,395,048	£0	0.00%
2014	Westwood	£913,709	£922,146	£8,437	0.92%
2109	Stanley Road Primary	£1,760,707	£1,760,707	£0	0.00%
2110	Crompton Primary	£836,474	£836,474	£0	0.00%
2111	Medlock Valley Community	£1,436,299	£1,436,299	£0	0.00%
2112	Clarksfield Primary	£1,714,757	£1,714,757	£0	0.00%
2113	Yew Tree Community	£2,314,399	£2,314,399	£0	0.00%

DFE NO	SCHOOL	2018/19 Actual Schools Block	2019/20 indicative Schools Block (0.00% MFG, 1.27% CAP & Revised IDACI SECS BASED ON 2018/19 PUPIL NUMBERS & CHARACTERISTICS & PREMISE ALLOCATIONS)	Difference	
				£	%
3005	Woodhouses	£544,691	£545,166	£475	0.09%
3007	St Annes CE Lydgate	£769,685	£769,685	£0	0.00%
3008	St Chad's CE Saddleworth	£999,039	£999,039	£0	0.00%
3009	Holy Trinity Dobcross	£774,213	£774,213	£0	0.00%
3010	Thornham St James' CE	£775,498	£775,498	£0	0.00%
3011	Christ Church Denshaw	£475,812	£475,812	£0	0.00%
3012	Hey With Zion	£1,088,632	£1,088,632	£0	0.00%
3303	St. Thomas Moorside CE	£1,001,533	£1,001,533	£0	0.00%
3315	St Thomas CE Werneth	£1,846,474	£1,846,474	£0	0.00%
3325	St Hugh's CE Primary	£985,482	£996,585	£11,103	1.13%
3326	St Agnes CE	£474,952	£474,952	£0	0.00%
3328	Holy Rosary RC Primary	£885,747	£895,573	£9,826	1.11%
3329	St Hilda's CofE Primary	£1,677,533	£1,697,380	£19,847	1.18%
3330	St Martin's CE Primary	£1,116,863	£1,116,863	£0	0.00%
3333	St Margaret's C.E.	£1,292,841	£1,302,076	£9,235	0.71%
3341	Christ Church Primary Chadderton	£1,081,935	£1,081,935	£0	0.00%
3342	St Luke's CE Primary	£907,058	£907,058	£0	0.00%
3344	St Matthew's	£1,486,100	£1,486,100	£0	0.00%
3345	East Crompton St James CE	£823,616	£823,616	£0	0.00%
3346	St Mary's CE High Crompton	£785,081	£785,081	£0	0.00%
3347	St Johns Primary	£1,075,513	£1,075,513	£0	0.00%
3351	St Thomas CE Leesfield	£881,110	£881,110	£0	0.00%
3353	St. Anne's CE Primary	£1,069,926	£1,069,926	£0	0.00%
3355	East Crompton St Georges CE	£938,237	£938,237	£0	0.00%
3358	Corpus Christi RC Primary	£1,222,773	£1,236,863	£14,090	1.15%
3359	St Joseph's RC Primary	£803,896	£803,896	£0	0.00%
3362	St Edwards RC Primary	£985,296	£985,296	£0	0.00%
3363	SS Aidan & Oswald's RC Primary	£1,557,915	£1,557,915	£0	0.00%
3364	St Herbert's RC	£1,119,174	£1,119,174	£0	0.00%
3366	Greenfield St Mary's CE	£762,989	£762,989	£0	0.00%
3400	Holy Family RC	£932,529	£932,529	£0	0.00%
3401	St Anne's RC	£935,624	£946,084	£10,460	1.12%
3402	St Patrick's RC	£944,045	£954,619	£10,574	1.12%
3403	St Mary's RC Primary	£1,527,450	£1,527,450	£0	0.00%
3503	St Paul's CE Primary	£857,790	£857,790	£0	0.00%
3504	Higher Failsworth Primary	£1,579,664	£1,588,536	£8,872	0.56%
2009	Coppice Primary	£1,955,566	£1,955,566	£0	0.00%
3506	Bare Trees Primary	£2,611,924	£2,642,987	£31,063	1.19%
3507	Royton Hall Primary	£1,261,922	£1,261,922	£0	0.00%
3508	Werneth Primary	£1,798,483	£1,798,483	£0	0.00%
3393	Holy Cross C.E.V.A. Primary	£1,889,191	£1,911,738	£22,547	1.19%
3509	Hodge Clough Primary	£1,623,420	£1,623,420	£0	0.00%
2003	St Theresa's RC Primary	£938,025	£938,025	£0	0.00%
2016	Northmoor Academy	£2,251,775	£2,278,798	£27,023	1.20%
	<b>TOTAL PRIMARY</b>	<b>£101,857,467</b>	<b>£102,168,689</b>	<b>£311,222</b>	<b>0.31%</b>



DFE NO	SCHOOL	2018/19 Actual Schools Block	2019/20 indicative Schools Block (0.00% MFG, 1.27% CAP & Revised IDACI SECS <b>BASED ON</b> <b>2018/19 PUPIL</b> <b>NUMBERS &amp;</b> <b>CHARACTERISTICS</b> <b>&amp; PREMISE</b> <b>ALLOCATIONS</b> )	Difference	
				£	%
4011	The Hathershaw College	£5,807,873	£5,809,672	£1,799	0.03%
4022	Royton & Crompton	£5,848,240	£5,875,176	£26,936	0.46%
4006	Failsworth	£8,350,844	£8,416,113	£65,269	0.78%
4026	Saddleworth	£6,465,153	£6,585,906	£120,753	1.87%
4027	North Chadderton	£6,221,053	£6,221,053	£0	0.00%
4028	The Radclyffe	£8,749,986	£8,799,249	£49,263	0.56%
4600	The Blue Coat	£5,908,940	£5,987,523	£78,583	1.33%
4605	Crompton House	£5,053,299	£5,165,962	£112,663	2.23%
4608	Blessed John Henry Newman College	£8,261,709	£8,262,400	£691	0.01%
4004	Waterhead Academy	£6,984,325	£7,068,185	£83,860	1.20%
6905	Oasis Academy Oldham	£8,214,569	£8,214,569	£0	0.00%
6906	The Oldham Academy North	£6,405,329	£6,405,329	£0	0.00%
9999	Oaslis Leesbrook Free School	£658,803	£658,803	£0	0.00%
<b>TOTAL SECONDARY</b>		<b>£82,930,123</b>	<b>£83,469,940</b>	<b>£539,817</b>	
<b>TOTAL ALL SCHOOLS</b>		<b>£184,787,590</b>	<b>£185,638,629</b>	<b>£851,039</b>	
Business rates Contingency			110,000		
Business rates Adjustment			39,842		
PFI Inflation			94,134		
Northmoor, Oasis & Oasis Leesbrook Growth			686,125		
<b>TOTAL ALL SCHOOLS</b>		<b>184,787,590</b>	<b>186,568,730</b>		

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### Summary of Main Themes from the Schools Block Formula Consultation 2019/20

When reviewing the consultation responses it appeared there were a number of themes that could be determined. These are summarised below.

#### **NFF values from 2018/19 to be replicated in 2019/20**

- 55% of primary schools do not agree with continuing with the NFF values from 2018/19 due to the fact that they think there should have been 2 models produced, one with and one without the 1% move.
- All secondary schools who responded prefer Appendix C.

#### **MFG 0%**

- Those schools who do not agree to the 1% transfer disagree with an MFG of 0%.
- Two schools consider that 0% should be a minimum level One school would prefer the NFF fully implemented
- One school considered that the consultation was based on the assumption that the response to question 4 will be positive. However, if this had not been the case then a MFG of 0.5% could be applied, therefore passing on to schools the committed increase that the government outlined in September 2017.

#### **1% Transfer to High Needs Block**

- One Academy trust considered that the consultation should have established whether the average per pupil cost of meeting need has risen, which would be a better measure of efficiency and a comparison of costs across the mainstream and specialist sectors for meeting similar needs .
- Six schools commented that earlier in 2018/19 assurances were given at Schools Forum and Fair Funding that this would not become an annual transfer in future years.
- One academy trust school considered that there should be benchmarking with other local authorities in terms of costs per sector in relation to proportions of children with EHCs who are being educated in specialist and mainstream respectively is needed i.e. are we spending more or less on special schools placements, out of borough etc. (Harmony)
- Seven schools stated that the options provided all assume the repeated transfer of the 1% from the schools to high needs block, there is no modelling information provided pre transfer. The transfer has not been agreed yet and is still to be approved. The modelling only provides information on the local authority preferred option.
- One academy trust commented that the DSG deficit recovery plan has yet to be presented and meanwhile the deficit has increased further.
- One academy trust stated that an increase in pupil numbers rather than solely increase in costs should have been provided in terms of the transfer request to provide transparency .
- One school asserted that the local authority shouldn't underestimate the pressure being faced at school and academy level which is further exacerbated by the repeated shifting of 1% from the Schools to High Needs Block.
- One school advised that there is little evidence of work undertaken to address an issue which has been known about for some time. It would have been useful to have comparisons with other LA positions to identify if this is as grim everywhere or if there are areas which we can learn from other LA to reduce the impact of central fiscal control.

- Two schools advised that they supported a transfer of funds last year on the basis that spending on the High Needs Block in 2018/19 would be brought into line with the budget and a recovery plan agreed, shared and implemented. It is disappointing that the over spend is actually increasing, a comprehensive baseline understanding/review of SEND only due to start this month and no recovery plan has been shared (North Chadderton,

### **Reduction in Top up rates in Mainstream Schools**

- Two schools considered that this would directly impact on the provision put in place for students with EHCP. This funding has already been reduced in recent years and does not cover the cost of the staffing that is needed to support these students.
- One school considered that there was a need to look at supporting early intervention in schools rather than relying on the high needs block
- This proposal will simply shift pressure, in particular, to those academies with the greatest number of children with high needs.
- One academy trust advised that the proposals risk penalising those mainstream schools that are already working with the average proportion of SEN children. No account is taken for the additional resource implications for leadership time when allocating resources.
- Three schools considered that mainstream schools do not have high numbers of EHC plans so cannot benefit from economies of scale for interventions and current top up funding levels already prevent the recruitment of TAs qualified at a level that can provide greater contribution to improving the outcomes of these pupils.
- One school considered that a reduction of top up funding will have detrimental impact on outcomes for children in primary schools, resulting in lower SEND progress & school performance
- With regard to EHC plans, four schools considered that primary schools still require teaching assistants to cover EHC hours. Current top up funding levels prevent schools from recruiting suitably qualified TAs and this impacts on improving outcomes for SEND pupils.
- One school considered that this constitutes a cut in the very small proportion of the high needs budget directly allocated to mainstream schools
- One school considered that already underfunded as budgets are based on very out of date historical data where notional funding is concerned.

### **Reduction in top up rates of Special Schools**

- Seven schools/trusts considered that as the top up rates appear high, benchmarking data would be helpful. It is also not clear what proportion of spend is on out of borough, high cost placements and whether additional special school capacity would help reduce costs and keep children within borough.
- Two schools considered that they could probably not support this although it is difficult to know how the figures have been calculated and whether they are fair, without further information or comparisons with other LA's

### **Changes to Over Capacity Funding within Special Schools**

- One school considered that it could not agree that Special Schools Top Up rates should be reduced as well as the overcapacity funding. Would suggest one or the other, favouring not reducing top up rates and allocating funding to support over capacity should this arise.
- One school considered that there seems to be some mileage in this as there may be some duplication costs that can be avoided but would like to see some actual figures

in terms of the sliding scale. Equally, the school would be wary of this argument being applied to mainstream settings in terms of admitting numbers over PAN

- One school considered that as the LA has identified, economies of scale can be applied to remove overfunding and make savings

### **Additional Funding model for secondary schools**

- Two schools commented that the Fair Funding Group requested the modelling for primary & secondary schools so it is unclear why Appendix C information hasn't been modelled and included for primary schools in this consultation document.
- Secondary schools welcome the re-issuing of the consultation but want to record that Fair Funding Group did ask for different financial modelling for all schools, not just secondary schools;

### **Process and Future Year Requests**

- It was apparent from the meeting with Council officers that it does not matter whether we agree or not during this consultation as it will go ahead anyway.
- The whole process has been dealt with in a chaotic fashion; schools were expected to make decisions with very little information and within a very short time frame (originally).
- Two schools considered that the LA should not automatically make the assumption this has been approved but undertake a timely consultation;
- Three schools considered that the LA better engage with the Fair Funding Group in a timely manner to allow alternative financial modelling to be discussed and reviewed before presentation to all schools or Schools Forum;
- Five schools commented that the LA should not use EGRESS for matters open to a 'public' consultation.
- Four schools considered that Local Authorities should stand together and demonstrate the true deficit position to the government to direct a further High Needs funding review.
- One school advised that the Fair Funding Group did ask for different financial modelling for all schools, not just secondary schools
- One academy trust advised that drop in sessions would be useful for future consultation
- One school requested details of Fair Funding Group membership, meeting schedules and an outline of the work plans to enable schools to establish links with representatives.

### **Other Comments**

- The LA are just passing their debt on to schools which are already at breaking point. Schools simply cannot provide the level of provision they need to. It is fast becoming a safeguarding and Health & Safety issue with the radical depletion of staffing. Children with additional needs are missing out most as they are unlikely to get any support unless they have an EHC plan.
- It is disappointing that/there is disagreement that a nil response to the consultation indicates affirmation of the LAs proposals.
- We cannot agree to a funding model that includes a transfer figure that has yet to be approved.
- What consideration has been given to seek support from schools for an interdependent solution? (E.g. Large amounts of money are used to provide residential care for pupils outside the borough. Could local Trusts be approached to look at the possibility of residential/part-residential care via the Free School route?)

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### Council Response to the Consultation Issued to Schools Forum

A review of the consultation responses, discussion with some Secondary Business Managers and attendance at the Primary and Special Heads meetings highlighted a number of themes which have then been demonstrated via the formal consultation responses. These include concerns about the process, lack of knowledge and understanding of the funding of the High Needs block and transparency of the recovery plan strategy.

In response to the consultation, the LA has welcomed the opportunity to discuss with Heads and Business Managers some specific concerns but also the overall position of the DSG. Council officers look forward to future opportunities to attend groups on a larger scale to engage across sectors, maintained schools and academies to ensure that there is a greater understanding and sharing of knowledge on funding and arising pressures.

Going forward, the schools' finance team, central educational services and external consultants, Social Finance, will be developing the emerging recovery plan and inclusion strategy with the assistance of the working groups of Head Teacher representatives. The recovery plan will be completed by the end of the financial year and it is therefore expected to implement any changes to funding including any top up proposals for schools from September 2019.

In addition the LA accepts comments about process and will be planning the consultation with all schools and working groups including the Fair Funding Group from May 2019. As part of this the representation on these groups will be revisited to ensure fair representation of all schools.

It is important to reiterate the highlight the fundamental principles upon which the consultation proposals were prepared:

- an understanding that the transfer of funding of 1% between the Schools and High Needs block had been accepted given the requirement to address the shortfall in funding for High Needs and the deficit DSG position
- the presentation of what is considered to be the fairest allocation of resources for Oldham Schools and Academies having regard to prevailing pressures and issues (in particular that no school receives less resource than it has received in 2018/19)
- to ensure that Oldham Schools are best placed for smooth implementation when the National Funding Formula for Schools is fully introduced
- the positive management of the DSG deficit position (subject to the agreement of Schools Forum).

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**Report to CABINET****Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2019/20****Portfolio Holder:**

Report of the Deputy Leader & Cabinet Member (Finance and Corporate Resources), Councillor Abdul Jabbar MBE

**Officer Contact:** Anne Ryans (Director of Finance)

**Report Author:** John Hoskins (Finance Manager)

**Ext.** 1323

**17 December 2018**

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**Reason for Decision**

This report presents to Cabinet the Council Tax Tax Base and provisional Non-Domestic Rates (NDR) Tax Base forecast for 2019/20 which will underpin the forthcoming Council Budget and Medium Term Financial Strategy scheduled for consideration at Council on 27 February 2019.

The report also seeks delegated authority to finalise the 2019/20 Non-Domestic Rates (Business Rates) forecast in order to reflect the information contained in the Local Government Finance Settlement and up to date Non-Domestic Rates details to be submitted to Central Government by 31 January 2019 via the annual NNDR 1 return.

Finally, the report seeks approval to delegate the final decision to join in the pooling of Business Rates in 2019/20 with other Greater Manchester Districts, Cheshire East & Cheshire West and Chester Councils. Oldham has pooled Business Rates with neighbouring Authorities since 2015/16. The receipt of the Provisional Local Government Finance Settlement marks the start of a 28 day period for confirming Oldham's membership within the 2019/20 Business Rates Pool and the timing doesn't therefore align with Cabinet meetings.

**Executive Summary**

This report sets out information on the Council Tax Tax Base for 2019/20 using the most up to date valuation list and all other information and estimates available.

The total number of chargeable properties included in the Council Tax Tax Base calculation in Oldham for 2019/20 is 94,662. This figure is reduced to 85,761 after

allowing for discounts and exemptions and translates to the equivalent of 68,018 Band D properties. After applying adjustments for the Local Council Tax Support scheme, the additional charging to empty properties and an anticipated increase in the number of properties to be included in the valuation list over the year, the number of Band D equivalent properties reduces to 58,446. The final Tax Base after the application of the anticipated collection rate of 97% is 56,693 which is an increase of 1,027 over the Council Tax Tax Base for 2018/19.

The 2019/20 Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,627 and 5,438 respectively, have been calculated using the same methodology.

Under the current local government finance system introduced on 1 April 2013, local billing authorities are required to prepare and submit to the Ministry of Housing, Communities and Local Government (MHCLG) a locally determined and approved Business Rates forecast through the NNDR 1 return by January 31 each year. This forecast will be used to determine the 2019/20 “demand” and payment schedule for Business Rates between Oldham Council and the Greater Manchester Combined Authority. Being a participant in the Greater Manchester 100% Rates Retention Pilot Scheme means the Council no longer pays a share of Business Rates to Central Government. Instead, Oldham currently retains 99% of the income with 1% being paid to the Greater Manchester Combined Authority for Fire and Rescue services.

The estimated rating income for 2019/20 attributable to Oldham Council is currently £53.469m. Delegation is sought to enable the Business Rates forecast to be updated to take account of the Local Government Finance Settlement and up to date Non-Domestic Rates information to be submitted to Central Government by 31 January 2019 via the annual NNDR 1 return.

Members will recall that Oldham has pooled Business Rates revenues with other Greater Manchester districts and the two Cheshire Unitary Authorities since 2015/16 (Cheshire West & Chester joined the pool from 2016/17). The aim of pooling is to retain the benefits of any Business Rates growth within Greater Manchester for the benefit of the region. This report seeks approval (subject to the notification of the for Provisional Local Government Finance Settlement (PLGFS)) and the decision of Cheshire East to remain within the pool for the continuation of this arrangement on the basis that no Local Authority should be worse off by pooling than it would be if it did not pool. Delegation is also sought to enable a final decision to be made subject to the PLGFS and the decision of Cheshire East Council.

## **Recommendations**

It is recommended that

- 1) Cabinet approves:
  - a) The Council Tax Tax Base for 2019/20 at 56,693 Band D equivalent properties.
  - b) The latest estimate for 2019/20 Business Rates revenue that is attributable to Oldham Council as being £53.469m.

- 2) Cabinet notes the Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,627 and 5,438 respectively.
- 3) Cabinet delegates the decision to vary the final Business Rates forecast and hence the Business Rates Tax Base, if required, to the Cabinet Member for Finance and Corporate Resources in consultation with the Deputy Chief Executive Corporate and Commercial Services and the Director of Finance.
- 4) Cabinet delegates to the Cabinet Member for Finance and Corporate Resources in consultation with the Deputy Chief Executive Corporate and Commercial Services and the Director of Finance, the final decision of (subject to the information contained in the Provisional Local Government Finance Settlement and the decision of Cheshire East Council to remain within the pool) the Council's membership of the proposed Greater Manchester, Cheshire East & Cheshire West and Chester Councils Business Rates Pool for 2019/20.

**Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2019/20****1 Background**

- 1.1 The Local Government Finance Act 1992 (as amended for the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012) requires the Council as the Billing Authority to calculate and approve the Council Tax Tax Base for 2019/20 based on the valuation list and other information and estimates available. The method of calculation is contained in the regulations.
- 1.2 This report presents for approval, Oldham Council's Council Tax Tax Base for 2019/20 and the extracted Tax Bases for Saddleworth and Shaw & Crompton Parish Councils. This will enable Tax Base information to be made available to the two Parish Councils in addition to the GMCA in relation to the major precepting functions.
- 1.3 The Council will use the Council Tax Tax Base for 2019/20 in setting the Council Tax and determining the level of Council Tax income for 2019/20.
- 1.4 Notification of the Council Tax decision must be given to major precepting Authorities by the due date of 31 January 2019. Members are advised that 2019/20 is the second year that the revised precepting arrangements within Greater Manchester have been in place. The functions of the Office of the Greater Manchester Police and Crime Commissioner (GMPCC) and the Greater Manchester Fire and Rescue Authority (GMFRA) transferred to the Greater Manchester Combined Authority (GMCA) with effect from 8 May 2017. The GMCA is therefore the major preceptor for Police and Fire and Rescue functions.
- 1.5 The Non-Domestic Rating (Rates Retention) Regulations 2013 set out a timetable for informing the Government and precepting Authorities of the Business Rates revenue calculation. The Council is required to submit a Government return (NNDR 1) by 31 January in the year prior to the financial year for which the calculation is being made. The return estimates the amount of Non Domestic Rate (NDR) that it is expected will be collected in the following financial year. Given the legislative changes introduced from April 2013 and the current 100% Business Rates Retention Pilot arrangements, the estimates now take on a higher profile as a result of the Council retaining a greater proportion of the rates collected.
- 1.6 Consequently, the Council must now formally approve the NDR forecast in a manner similar to the Council Tax Tax Base.

## 2 Current Position

### Collection Fund Forecast Outturn Position for 2018/19

- 2.1 The Collection Fund forecast outturn position is presented as part of the revenue monitoring reports considered by Cabinet throughout the year. As explained in paragraph 2.16 (below), it is exceptionally challenging to accurately forecast Business Rates revenues over the short to medium term. At this stage, for budget setting purposes and for the purpose of notifying the GMCA as major preceptor, it is assumed that the Collection Fund forecast outturn position for both Council Tax and Business Rates for 2018/19 will be a surplus of approximately £2.6m. This surplus will be available to support the revenue budget of the Council and the GMCA for 2019/20. However the date by which preceptors must be notified of the 2018/19 Collection Fund surplus is 15 January 2019. Appropriate formal notification will be provided by the required due date.

### Calculation of the Council Tax Tax Base for 2019/20

- 2.2 The Council Tax Tax Base determines the Council Tax revenue generated at a given collection rate, for each £1 of Council Tax levied. It is the estimated full year equivalent number of chargeable dwellings. This is expressed as the equivalent number of Band D dwellings with two or more liable adults.
- 2.3 In October each year the Government requires the submission of a return, the CTB1 and a version of this is used as the basis for the calculation of the Tax Base. Using this return, Appendix A shows the total number of dwellings on the valuation list in Oldham is 96,366. Allowing for exemptions, demolitions and disabled relief dwellings, this number reduces to 94,662 chargeable dwellings which are then allocated across the nine Council Tax Bands. Some of these chargeable dwellings receive discounts from Council Tax (e.g. dwellings occupied solely by students) whilst single person households pay only 75% of the charge otherwise payable. The number of dwellings is therefore adjusted to reflect these discounts and exemptions, giving a figure of 85,761.25 dwellings.
- 2.4 The nine Council Tax Valuation bands provide the basis for the Tax Base calculation, with the number of chargeable dwellings in each band being calculated through to its 'Band D equivalent'. A bill for a Band A property is equivalent to 6/9 for that of a Band D property whilst a Band H property is equivalent to 2 times (18/9) of a Band D property. The application of the Band D equivalent calculation therefore reduces the Tax Base to 68,018.2.
- 2.5 A further adjustment is required to the Tax Base due to the Local Council Tax Reduction Scheme (LCTRS). The scheme replaced Council Tax Benefit and was introduced for the first time in 2013/14. The LCTRS is treated as a discount rather than a benefit and therefore reduces the Tax Base. The 2019/20 scheme will be considered for approval at Council on 27 February 2019 and has been the subject of a consultation process. The proposed scheme for 2019/20 maintains discounts at the 2018/19 level, with discount continuing to be capped at 85% of a Band A property.

- 2.6 The proposed scheme also recognises a disregard of Bereavement Support Allowance and post graduate master's degree loan and special support payments in the assessment of CTR and also to introduce support for Universal Credit (UC)/CTR claimants including earnings disregards, use of Department for Work and Pensions information as an intention to claim and incorporation of housing costs in the UC maximum award. The Tax Base calculation allows for the introduction of proposed scheme amendments.
- 2.7 The summarised method of calculating the 2019/20 Tax Base is shown in Appendix A. This shows that, taking the above issues into account, the Tax Base would be 58,446 at a 100% collection level but will be 56,693 at a collection rate of 97% (see paragraphs 2.8 to 2.10 below). The Tax Base has increased by 1,027 compared to the figure for 2018/19 (55,666), largely reflecting an increase in the number of new properties, the empty properties brought back into use and reductions in the numbers claiming Council Tax Reduction.

#### Estimated Collection Rate

- 2.8 The introduction of LCTRS arrangements in 2013/14 added a degree of uncertainty to collection rate calculations. However since this time the Council has benefitted from the experience of almost six years payments data. This data has allowed for a more confident assessment of probable collection levels particularly from its Council Tax Reduction Scheme cohort.
- 2.9 A recent review of collection levels has been undertaken to inform the 2019/20 budget process. This review has been informed by:
- The Localisation of Council Tax initiative which has substantially changed the pattern of Council Tax payments. Evidence indicates that entitlement to benefit has been lower than initial projections and that collection levels remain in line with projections. This has allowed for the continuing rates of Council Tax Reduction applied in 2018/19 being maintained into 2019/20.
  - Higher than expected level of Council Tax collection on properties affected by technical reforms (empty properties and second homes);
  - The general economic climate and pressures on households to manage their finances which has led to an increase in the number of Council Tax payers falling into arrears;
  - The success of initiatives to reduce non-payment.
- 2.10 In view of the above it is considered appropriate to anticipate a collection rate of 97%, a maintaining of the 2018/19 assumed collection rate. Nonetheless, the Council will continue to closely monitor the collection rate and tax base position to determine whether the roll out of full service Universal Credit is having a detrimental impact on the Council Tax Collection Fund position.

#### Parish Council Tax Bases

- 2.11 The Tax Base calculated for 2019/20 for the Parish Councils of Saddleworth and Shaw & Crompton are 8,627 and 5,438 respectively. This represents an increase for Saddleworth of 98 Band D equivalent properties and for Shaw &

Crompton an additional 76 Band D equivalent properties when comparing totals to the Parish Tax Bases for 2018/19. The Tax Bases have been calculated on a basis consistent with those for the Borough as a whole.

- 2.12 In 2013/14, changes to the Local Government finance regime introduced grant compensation to Parish Councils for loss of Council Tax income. Oldham’s allocation for its two Parish Councils was £0.058m and could easily be identified within the 2013/14 financial settlement information on the Department for Communities and Local Government (DCLG) website. However, in 2014/15 the specific allocation was no longer visible within the settlement information as it had been ‘rolled’ into the Revenue Support Grant (RSG).
- 2.13 RSG has continued to be significantly cut since 2014/15, and although since 2017/18 it has been incorporated within the Business Rate Retention pilot funding arrangements, it is still a key element in the Government grant funding paid to the Council. However, despite the reduction in its own grant funding, Oldham Council continued to provide the same level of grant support to the Parish Council’s from 2013/14 up until the end of the 2016/17 financial year.
- 2.14 At Council on 14 December 2016, it was agreed that the grant compensation payable to the Parish Councils be reduced in line with reductions in the RSG as set out in the Government’s original four year Local Government Finance Settlement projections for 2016/17 to 2019/20. For 2019/20 this results in a further grant reduction of £0.010m for Saddleworth Parish Council and £0.005m for Shaw & Crompton Parish Council. There will be no further reduction in grant for 2020/21. The amount of grant payable to each Parish for 2019/20 and 2020/21 is set out in the table below. The grant reduction for 2019/20 is partly offset in cash terms by the increase in the Tax Bases.

	<b>2019/20</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Saddleworth Parish Council	13	13
Crompton & Shaw Parish Council	5	5
<b>Total Parish Grant Payable</b>	<b>18</b>	<b>18</b>

#### Business (Non-Domestic) Rates

- 2.15 Under the current Local Government finance system introduced on 1 April 2013, local billing authorities are required to prepare and submit to the Ministry for Housing, Communities and Local Government (MHCLG) a locally determined and approved Business Rates forecast through the NNDR 1 return by 31 January each year. This forecast is used to determine the 2019/20 “demand” and payment schedule for Business Rates revenues between Oldham Council and the GMCA that will be the major preceptor for Fire and Rescue functions. Under the 100% Rates Retention Pilot arrangements, Central Government no longer receives a share of Business Rates revenues.

- 2.16 Business Rates are a highly complex and volatile tax and it is exceptionally difficult to forecast movements over the short to medium term with great accuracy. Since the change to the Business Rates regime in 2013/14 and the revaluation exercise undertaken by the Valuation Office Agency (effective from 1 April 2017), much more uncertainty has been introduced into the setting of Council budgets as the tax base is prone to significant changes and can fluctuate for many reasons; the most common of which are listed below:
- Changes in liability resulting from a change in occupancy;
  - Appeals against rating decisions, the length of time it takes to conclude appeals and the requirement to make an assessment of the cost of appeals prior to settlement;
  - Demolitions and the point at which properties are removed from the rating list;
  - New builds and the point at which rateable occupation is triggered;
  - Changes in building use and alterations to building size or layout;
  - Changes in entitlement to mandatory and/or discretionary reliefs;
  - Action taken by property owners/occupiers to avoid full liability and maximise relief; particularly empty property and charitable relief;
  - Changes in Council policy in relation to discretionary rate relief;
  - Changes in the requirement to provide for doubtful debts.
- 2.17 Fluctuations in Business Rates income are also strongly linked to the performance of the wider economy. In an economic downturn there is a heightened risk of properties being left empty and lower levels of development activity. Conversely, when the economy is more buoyant, business activity and thereby rating income can increase.
- 2.18 The level and timing of appeals against a rateable value are perhaps the most significant factors that can have an impact on variability in yield. Appeals are dealt with by the Valuation Office Agency (VOA) and can date back many years. Recent information highlights that appeals covering around £50m of rateable value remain unresolved; one of which dates back to April 2005. Total rateable value for the Oldham Billing Area is around £157m meaning appeals currently affect approximately 32% of the overall business rates tax base.
- 2.19 The Check, Challenge & Appeal process introduced by the VOA has tried to incorporate a degree of consistency to the appeals submission process whilst simultaneously seeking to limit the numbers of 'speculative' claims. Indications suggest the revised process is significantly reducing the number of claims that reach the appeal stage. However, as the process has only been in place since April 2017, it is not yet clear whether the process is reducing the real number of appeals or simply holding back the tide. What is clear is that greater financial provision will need to be made for individual claims that reach the appeal stage as having been through check and challenge their probability of securing a rateable value reduction is much greater than under the previous arrangements. Furthermore, nationally, appeals that are currently being considered are effectively test cases that may set precedents which prompt a whole new wave of local appeals or straightforward rateable value reductions.



2.20 Recognising the challenges that this volatility presents, the Council has put in place arrangements to monitor Business Rates liability on a monthly basis. The output from these monitoring arrangements shows that net liability tends to reduce as the year progresses from each April. These reductions are the result of:

- Reductions in gross rates payable as outstanding appeals are settled;
- Increases in mandatory and empty property relief as more claims are submitted and processed as the year progresses.

2.21 These trends/movements set against the base position form the basis of the forecast business rates outturn position for 2018/19 and forecast for 2019/20.

#### Greater Manchester (GM) 100% Business Rates Retention Pilot Scheme

2.22 On 1 April 2017, the GMCA, Oldham Council and the nine other GM districts commenced a pilot scheme for the 100% local retention of Business Rates. The participants agreed to pilot full Business Rates retention on the basis that no district would be worse off than they would have been under the original '50/50' arrangements whereby Business Rates revenues are shared between Central Government and the Local Authority sector. This has become known as the 'no detriment' principle. Under the pilot scheme, additional rates income is offset by reductions in other funding streams such as the RSG and Public Health grant. In its first year of operation, the pilot scheme delivered fiscal benefits for its participants. At this stage during 2018/19, Oldham's share of these benefits is forecast to be around £0.5m; a sum which will be used to support the 2019/20 budget position. The financial year 2019/20 will be the last year of the pilot, from 2020/21 a new regime will be introduced which will be based on 75% Business Rates Retention. Lessons learned from the piloting arrangements should influence the design of the 75% regime.

2.23 From the Government's perspective, the primary purpose of the pilot is to develop and trial approaches to manage risk and reward in a Local Government finance system that includes the full devolution of Business Rates revenues. It is hoped the new system will provide a stable funding stream whilst incentivising economic growth.

2.24 The pilot scheme for full business rates retention has created further impetus for working jointly across the Combined Authority area. The pilot scheme continues to provide an opportunity to develop new initiatives for cross-authority working in terms of business rates administration and also as part of the growth agenda to attract new businesses to Greater Manchester for the benefit of the region as a whole, as well as individual districts.

#### GM, Cheshire East & Cheshire West and Chester Councils Business Rates Pool 2019/20

2.25 Members will recall that Oldham has participated in Business Rates pooling since 2015/16. The aim of pooling is to retain the benefits of any Business Rates growth within Greater Manchester for the benefit of the region. For

2019/20, members of the pool for Business Rates provisionally include all ten GM districts and Cheshire East and Cheshire West & Chester Councils. Cheshire East Council has applied to be a 75% Business Rates Retention pilot however if unsuccessful they have already confirmed their ongoing commitment to the current pooling arrangements.

- 2.26 The business rates pooling proposition is such that no Local Authority should be worse off by pooling than it would be if it did not pool. Therefore, if there is any growth in business rates as a result of the economic regeneration activity planned within the borough, the Council would be able to keep its share of that benefit also benefiting from a share in any levy payment that any other levy paying Authority in the pool would normally pay to Central Government.
- 2.27 The fact that Greater Manchester is piloting full Business Rates retention, suggests participating in Business Rates pooling is no longer necessary as there are no additional financial gains to be made. However, participating in such a pool improves the 'no detriment' position of each district in the unlikely event that the 100% pilot scheme fails to derive any fiscal or economic benefits. In addition, the inclusion of the two Cheshire Unitary Authorities in the pool enables Greater Manchester to share in any benefits that relate to those Councils. A decision on membership cannot be made until the contents of the Provisional Local Government Settlement have been examined and the impact understood. Confirmation of pool membership must be made within 28 days of the receipt of the Provisional Settlement information. This is likely to be announced mid-December 2018. It is therefore recommended that Cabinet delegates the final decision of the Council's membership of the proposed Greater Manchester, Cheshire East and Cheshire West & Chester Business Rates Pool for 2019/20 to the Cabinet Member for Finance and Corporate Resources in consultation with the Deputy Chief Executive Corporate and Commercial Services and the Director of Finance subject to the contents of the Provisional Local Government Finance Settlement and the decision of Cheshire East Council to remain in the pool.

## **Impact of the 2018 Budget Statement**

### **Business Rates**

- 2.28 As part of the Budget in October 2018 the Chancellor announced a range of measures to support businesses. The key announcements were -

- **Retail Relief**

Bills will be cut by one-third for retail properties including shops, cafes and restaurants in England with a rateable value below £51,000. This is expected to benefit up to 90% of retail properties, for 2 years from April 2019, subject to state aid limits.

- **Public Lavatories**

100 per cent business rates relief for all public lavatories will be introduced from 2020/21.

- Extension of Business Rates Discount for Local Newspapers

The Government will continue the £1,500 business rates discount for office space occupied by local newspapers in 2019/20.

- Existing Small Business Rates Relief (SBRR) will continue

Compensatory Grant for Councils

2.29 It should be noted that the Government has confirmed that Local Government would be fully compensated for the loss of income as a result of implementing these measures by the receipt of S31 grants.

Other Policy Announcements

2.30 Further Government policy announcements which may impact on the Business Rates Tax Base by stemming decline or stimulating growth include;

- The launch of a new Future High Streets Fund to invest £675 million in England to support local areas to develop and fund plans to make their high streets and town centres fit for the future. This will invest in town centre infrastructure, including to increase access to high streets and support redevelopment and densification around high streets. It will include £55 million for heritage-based regeneration, restoring historic high streets to boost retail and bring properties back into use as homes, offices and cultural venues.
- The intention to consult on planning measures to support high streets to evolve. As part of this, Government will consult on creating a more flexible and responsive 'change of use' regime with new Permitted Development Rights that make it easier to establish new mixed-use business models on the high street. It will also trial a register of empty shops with selected local authorities, and trial a brokerage service to connect community groups to empty shops.

**2019/20 Business Rates Forecast - Conclusion**

2.31 Having considered the issues above it is clear that many factors are outside the control of the Council. Central Government confirmation that Local Government will be fully compensated for implementing policy announcements made within the Budget, provides assurance for our short term forecasts assuming a net neutral financial impact. However over the long term, the switch to more frequent revaluations and the ongoing results of Business Rates Retention are extremely difficult to assess. However, forecasts have been prepared on the basis of trends emerging from the monthly monitoring of business rates liability during 2018/19 whilst the announcement of the Provisional Local Government Finance Settlement is awaited.

2.32 For the purposes of formal decision making, Oldham Council's share of the Business (Non-Domestic) Rates forecast for 2019/20 is presented at

£53.469m. This represents the best estimate available at this time and is the assumption underpinning the 2019/20 budget estimates that are currently being reviewed and updated. However, assuming delegation is approved, the final Business Rates forecast for 2019/20 will be confirmed following submission of the Council's NNDR 1 return in late January 2019. The calculation of the current forecast of £53.469m is summarised in the table below:

<b>Forecast Business Rates Yield</b>	<b>2019/20 £000</b>
Oldham Council Share (99%)	53,469
GMCA Share (for Fire and Rescue functions) (1%)	540
<b>Total Forecast Yield</b>	<b>54,009</b>

### 3 Options/Alternatives

- 3.1 The Council has little discretion in the calculation of the number of properties incorporated into the Council Tax Tax Base given the legislative framework that is in place. However, there is some discretion over estimating the number of new properties that will be included on the Council Tax register during 2019/20. A prudent view has been taken in this regard. The main area for an alternative approach is over the level of assumed collection rate. An increase in the collection rate would boost the anticipated Council Tax income and a decrease in the rate would decrease income. The Council has chosen to maintain its 2018/19 collection rates at 97%. This decision has been taken in light of a continuing and targeted focus on Council Tax collection rates.
- 3.2 The NNDR1 return generates the figures upon which the Business Rates Tax Base is prepared. It is not therefore appropriate to consider an alternative approach. However, as the figures included on the NNDR1 return on 31 January 2019 may vary from the estimated level, delegation is sought to allow the opportunity to revise the Business Rates forecast and approve a revised and more accurate position for budget setting.

### 4 Preferred Option

- 4.1 It is recommended that Members approve the Council Tax Tax Base of 56,693 and an estimate of the Business Rates Tax Base of £53.469m. Delegation to the Cabinet Member for Finance and Corporate Resources in consultation with the Deputy Chief Executive Corporate and Commercial Services and the Director of Finance is however sought for the final Business Rates Tax Base decision, the final estimated net business rate yield and ultimately the Council's retained Business Rate income for 2019/20.
- 4.2 In order to improve the Council's 'no detriment' position (see paragraph 2.24), it is also recommended that Cabinet approves the Council's membership of the GM, Cheshire East and Cheshire West and Chester Councils Business Rates pool for 2019/20, subject to the review of the outcome of the Provisional Local Government Finance Settlement and the decision of Cheshire East Council to continue to be a member of the pilot. If necessary, however, the decision to discontinue pool membership or to

approve membership of a pool with revised participants is delegated to the Cabinet Member for Finance and Corporate Resources in consultation with the Deputy Chief Executive Corporate and Commercial Services and the Director of Finance.

## **5 Consultation**

5.1 Indicative Tax Base information has been shared with precepting Authorities to assist them in the budget projections, subject to confirmation by this report.

5.2 The Council will advise the preceptors of the approved Council Tax and Business Rates Tax Bases (as appropriate) by the required date of 31 January 2019 and submit the final NNDR1 also by that date.

## **6 Financial Implications**

6.1 Dealt with in full in this report

## **7 Legal Services Comments**

7.1 It is necessary for the Cabinet to set the Council Tax Tax Base having regards to the appropriate Regulations and to notify that to the relevant precepting bodies. Additionally it is now required that the Business Rates Tax Base is approved by Cabinet.

## **8. Co-operative Agenda**

8.1 Income generated from Council Tax and Business Rates supports the Councils budget process and hence supports the delivery of the cooperative agenda.

## **9 Human Resources Comments**

9.1 None

## **10 Risk Assessments**

10.1 There is a risk that if the anticipated Council Tax collection level is too high, there will be a shortfall in the income anticipated. This would have an effect on the budget setting arrangements in future years. With the introduction of LCTRS, the collection rates are now much more difficult to assess and these will be kept under constant review however the proposed collection rate seeks to minimise the risk with a prudent approach taken to setting the collection level.

10.2 There is also a risk that if the anticipated level of Business Rates is not achieved it would lead to budget pressures in future financial years. Hence a prudent approach will be taken in assessing the anticipated business rates income levels.

10.3 There are extensive recovery procedures that will ensure that the maximum Council Tax and Business Rates income level is achieved.

**11 IT Implications**

11.1 None

**12 Property Implications**

12.1 None

**13 Procurement Implications**

13.1 None

**14 Environmental and Health & Safety Implications**

14.1 None

**15 Equality, community cohesion and crime implications**

15.1 None

**16 Equality Impact Assessment Completed?**

16.1 Not applicable

**17 Key Decision**

17.1 Yes

**18 Key Decision Reference**

18.1 FCR-13-18

**19 Background Papers**

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

File Ref: Background Papers are contained in Appendix A  
Officer Name: John Hoskins  
Contact No: 0161 770 1323

**20 Appendices**

20.1 Appendix A Calculation of the Council Tax Base for 2019/20

APPENDIX A

CALCULATION OF COUNCIL TAX TAX BASE 2019/20 (Based on all properties)

Bands	A reduced	A	B	C	D	E	F	G	H	TOTAL
Total number of Dwellings on the Valuation List		50,469	17,141	16,134	6,865	3,272	1,523	881	81	96,366
Total number of Exempt and Disabled Relief Dwellings on the Valuation List	129	(1,164)	(220)	(271)	(91)	(44)	(4)	(17)	(22)	(1,704)
No. of Chargeable Dwellings	129	49,305	16,921	15,863	6,774	3,228	1,519	864	59	94,662
Less: Estimated discounts, exemptions and disabled relief	(8.25)	(5,677.5)	(1,439.75)	(1,138)	(367.25)	(148.75)	(76)	(42.25)	(3)	(8,900.75)
Total equivalent number of dwellings after discounts, exemptions and disabled relief	120.75	43,627.5	15,481.25	14,725	6,406.75	3,079.25	1,443	821.75	56	85,761.25
Factor stipulated in regulations	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Band D equivalent	67.1	29,085	12,041	13,088.9	6,406.75	3,763.5	2,084.3	1,369.6	112	68,018.2
Net effect of Local Council Tax Support Scheme (LCTSS) and other adjustments										(10,598.8)
Additional Net Dwellings in 2018/19 based on known regeneration within the Borough and reductions in the levels of discounts and exemptions										1,027
TOTAL AFTER LCTSS AND OTHER ADJUSTMENTS										58,446.4
Multiplied by estimated collection rate										97.00
<b>BAND D EQUIVALENTS</b>										<b>56,693</b>

For information: Parish Council Tax Tax Bases –

Saddleworth 8,627

Shaw & Crompton 5,438

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## Report to CABINET

# Single-Use Plastics

### Portfolio Holder:

Cllr Sean Fielding, Cabinet Member for Economy and Enterprise  
Cllr Arooj Shah, Cabinet Member for Neighbourhood Services

**Officer Contact:** Rebekah Sutcliffe, Strategic Director of Reform

**Report Author:** Justine Addy, Principal Policy Officer  
**Ext.** 3439

**17/12/2018**

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### Reason for Decision

To present the draft Single-Use Plastics Strategy - in response to a full Council motion on single-use plastics.

### Executive Summary

At a meeting of full Council on 28 March 2018 the following motion was referred to Overview and Scrutiny Board:

“Council notes that:

- The introduction of the 5p bag charge has already seen use of single-use plastic bags drop by 85%.
- However, most families still throw away about 40kg of plastic per year, which could otherwise be recycled.
- The amount of plastic waste generated annually in the UK is estimated to be nearly 5 million tonnes, which has a catastrophic effect on our environment, particularly our marine environment

Council welcomes the commitment of some major businesses to reduce their use of plastic packaging and encourages all local businesses to respond positively to the Government's recent call for evidence on reducing plastic waste.

However, Council recognises that it is only in eliminating single-use plastic materials that we can achieve a significant reduction in plastic waste.

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Council therefore resolves to ask the Cabinet to:

- Develop a robust strategy to make Oldham a ‘single-use plastic-free’ authority by the end of 2018 and encourage the Borough’s institutions, businesses and citizens to adopt similar measures;
- End the sale and provision of single use plastic products such as bottles, cups, cutlery and drinking straws in council buildings, or council supported venues, wherever possible; promoting the use of non-plastic recyclable alternatives e.g. paper straws to ensure our venues remain accessible to those with additional needs.
- Encourage traders across the Borough to sell re-usable containers and invite customers to bring their own.
- Consider the merits and practicalities of introducing a ‘window sticker’ scheme to accredit local businesses that are committed to reducing plastic waste through, for example, offering free water bottle refills.
- Investigate the possibility of requiring pop-up food and drink vendors at council supported events to avoid single use plastics as a condition of their contract; with a view to phasing out all single use plastics at markets and events in the Borough by the end of 2018.
- Work with tenants in commercial properties owned by Oldham Council to encourage them to phase out single use plastic cups, bottles, cutlery and straws.”

This report sets out a draft strategy and supporting action plan (see Appendix 1) to address the Council motion.

### **Recommendations**

The Single-Use Plastics Strategy 2019-2022 is supported and fully adopted and actions detailed in the action plan are actioned by all officers across the organisation.

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**Single-Use Plastics****1 Background**

- 1.1 As referred to above, at a meeting of full Council on 28 March passed a motion in respect of a strategy for a 'single-use plastic free' authority to be developed by the end of 2018. The strategy would not only ask that the Council adopts new practices but also challenge other organisations, businesses and citizens to adopt similar measures.

**2 Current Position**

- 2.1 An officer project team has been established with representatives from the following teams and services:

- Corporate Policy;
- Waste Management;
- Public Health;
- District Partnerships;
- Corporate Landlord & Facilities Management;
- Property Management;
- Marketing & Communications;
- Procurement; and
- Town Centre Management

- 2.2 Since the broadcast of the BBC's Blue Planet programme highlighting the effect of plastic pollution in seas, oceans and on beaches this has become a much-debated topic with high levels of public interest. The issue of single-use plastics and how to reduce, reuse and recycle them has been very much a part of the Authority's work around waste reduction over many years.

- 2.3 Across Council sites, single-use plastics are used for a variety of reasons and occasions. Types of plastic include: bags; bottles; cups; straws; stirrers; plates; bowls; cutlery; milk cartons; individual tea bags; sachets of coffee and cling film. To fully inform the project, an audit has been undertaken to gather information and understand why different types of single-use plastics are procured by services. The following sites and services were audited:

- Civic Centre – council offices with a high number of staff on-site;
- Choices - catering service based at the Civic Centre;
- QE Hall – large function hall regularly used by council staff and external parties;
- Oldham Library – high number of users visit six days a week; and
- Shaw Lifelong Learning Centre – variety of training sessions and community events delivered throughout the day.

Based on this information and early engagement, the project team has now developed a draft strategy for the Authority and also opportunities for the Council to engage and leverage change through its processes, partners and relationships with both businesses and residents.

There are some key issues identified from this Audit and the wider work of the project group in respect of procurement, recycling and communications all of which require further work in order to develop a strategy and informed action plan.

- 2.3 There has been direct early engagement with a partner and stakeholder ie Oldham Community Leisure and QE Hall to discuss the council's proposal to reduce its reliance on plastic and understand how other organisations will address this issue. Both support the

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campaign; in particular QE Hall has already started making changes by procuring cups and saucers for specific events. Also since the start of the academic year, colleagues at our Lifelong Learning Centres have been encouraging learners to bring a reusable bottle or cup with them to their course. Learners have access to free water from a water machine.

- 2.4 Communication to inform our workforce, residents and businesses is key and forms an important strand of the draft action plan. Some promotion has already started as the issue of single-use plastics and importance of reducing usage has been highlighted in the Green Oldham campaign; which is a year-long campaign launched in June 2018.
- 2.5 Desktop research and good practice has been identified and drawn upon to inform the development of the draft Strategy and Action Plan.

### 3 **Options/Alternatives**

- 3.1 By implementing the Single-Use Plastics Strategy 2019-2022 Oldham Council will be making a commitment to continue to take its environmental responsibilities seriously and support other organisations, community groups and residents across the borough to do the same.

The alternative would be to carry on as usual continuing to purchase the same quantities of single-use plastic products by council sites and services. This action would visibly highlight that the council has not reviewed and assessed its responsibilities for reducing its reliability on this material and could generate negative publicity for the organisation.

### 4 **Preferred Option**

- 4.1 The preferred option would be to the implement the Single-Use Plastics Strategy 2019-2022.

### 5 **Consultation**

- 5.1 The Single-Use Plastics Strategy 2019-2022 has been discussed and developed with officers from the project team. It has been noted at the Oldham Leadership Board. It was considered by the Overview and Scrutiny Board on 4 September and 27 November where it was endorsed by members.

### 6 **Financial Implications**

- 6.1 There are no direct financial implications as a result of this report.
- 6.2 Any future financial implications that may arise once the strategy has been implemented and is in place will be reported on separately as and when the need arises. (Andy Cooper/Jenny Howarth)

### 7 **Legal Services Comments**

- 7.1 It will be necessary to review and amend Council contracts, tenders and agreements as appropriate to achieve the proposed reductions in the use of single use plastics by the Council. (Alan Evans)

### 8. **Co-operative Agenda**

- 8.1 By implementing the Single-Use Plastics Strategy 2019-2022, Oldham Council is strengthening its commitments around its environmental responsibilities. The strategy seeks to adopt a co-operative approach to engage and support other organisations,

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community groups and residents across the borough to do their bit on reducing single-use plastics. (Heather Moore)

## **9 Human Resources Comments**

9.1 As outlined in this report communication and engagement will be key to the success of this Single-Use Plastics Strategy. In recognition of the role our staff (the majority of whom will also be Oldham / GM residents) have to play in helping the council achieve its objectives, I would advise clear and engaging staff and Trade Union communications from the outset. I am pleased to be advised by Justine Addy that, if the strategy is approved by Cabinet, an internal communications plan will be developed in conjunction with Internal Communications and People Services. The focus will be on education and sign-posting rather than formal action / enforcement against non-compliant staff, however the internal communications plan will include actions to ensure managers make expectations clear to staff.

I am also advised that initial discussions have taken place with Green Room, the lunch-time catering service available to staff at the Civic, regarding their use of single-use plastics, and further discussions will need to take place on approval of this strategy which may increase the cost of the food on offer. (Lauren Jones)

## **10 Risk Assessments**

10.1 No implications

## **11 IT Implications**

11.1 None

## **12 Property Implications**

12.1 None (Peter Wood)

## **13 Procurement Implications**

13.1 We will review our supply chain and see which contracts/Frameworks, this applies to and see what processes are in place to eliminate or reduce the use of plastic. (Mohammad Sharif)

## **14 Environmental and Health & Safety Implications**

14.1 Health & Safety – None (Laura Smith)  
Environmental - By implementing the Single-Use Plastics Strategy 2019-2022 Oldham Council will reduce its reliance on single-use plastics and communicate the environmental importance of 'reduce, reuse and recycle' to staff and residents. (Justine Addy)

## **15 Equality, community cohesion and crime implications**

15.1 There are no community cohesion implications arising from the proposals contained within the report. (Natalie Downs)

## **16 Equality Impact Assessment Completed?**

16.1 No

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17 **Key Decision**

17.1 No

18 **Key Decision Reference**

18.1 N/A

19 **Background Papers**

19.1 None

20 **Appendices**

20.1 Appendix 1: Single-use Plastics Strategy 2019 – 2022

# **Single-use Plastics Strategy**

## **2019 – 2022**

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## **Contents**

1. Executive Summary
2. Introduction
3. Objectives
4. How the strategy has been developed
5. Action Plan



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## 1. Executive Summary

In March 2018, at a meeting of full Council, members passed a motion for the development of a strategy by the end of 2018 for Oldham to be a 'single-use plastic free' authority. The strategy would not only include actions for the Council but challenge partners, businesses, community groups and residents to adopt similar measures.

Since the introduction of a 5p charge for plastic bags there has been a drop in use of single-use plastic bags by 85%. However, most families still throw away about 40kg of plastic per year which could otherwise be recycled. The amount of plastic waste generated annually in the UK is estimated to be nearly 5 million tonnes and, when not disposed of properly, has an effect on our environment: blighting streets; spoiling the countryside; and damaging wildlife, seas and the coastline.

Oldham Council recognises that by eliminating single-use plastic materials we can achieve a significant reduction in plastic waste across our sites. The council has developed this strategy and action plan in line with the ambition and wider plan of Greater Manchester Combined Authority to be the first UK city-region to drive down single-use plastics.

The strategy identifies opportunities for Oldham Council to reduce its reliance on single-use plastics by:

- Ending the sale and provision of single use plastic products such as bottles, cups, cutlery and drinking straws in council buildings, or council supported venues, wherever possible; promoting the use of non-plastic recyclable alternatives e.g. paper straws to ensure our venues remain accessible to those with additional needs.
- Encouraging traders across the Borough to sell re-usable containers and invite customers to bring their own.
- Considering the merits and practicalities of introducing a 'window sticker' scheme to accredit local businesses that are committed to reducing plastic waste through, for example, offering free water bottle refills.
- Investigating the possibility of requiring pop-up food and drink vendors at council supported events to avoid single use plastics as a condition of their contract; with a view to phasing out all single use plastics at markets and events in the Borough.
- Work with tenants in commercial properties owned by Oldham Council to encourage them to support this campaign.

The UK Government has identified several single-use plastic items that require more urgent action by banning or restricting their sale, i.e. plastic-stemmed cotton buds, plastic coffee stirrers and plastic straws, and on 22 October 2018 it was confirmed that a number of policies will be introduced, aimed at banning the sale and distribution of these items by 2020. A ban on the distribution and sale of the items will help to eliminate the 4.7 billion plastic straws, 316 million plastic stirrers and 1.8 billion plastic-stemmed cotton buds from the nation's waste streams.

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The Council will also continue to promote the established Greater Manchester plastic bottle recycling scheme to manage this plastic waste effectively.

## **2. Introduction**

Since the broadcast of the BBC's Blue Planet programme highlighting the effect of plastic pollution in seas, oceans and on beaches, this has become a much-debated topic with high levels of public interest. The issue of single-use plastics and how to reduce, reuse and recycle them has already been very much a part of the Authority's work around waste reduction over many years.

At a meeting of full Council on 28 March 2018, a motion was passed in respect of a strategy for a 'single-use plastic free' authority to be developed by December 2018. The strategy would not only ask that the Council adopts new practices but also challenge other organisations, businesses, community groups and residents to adopt similar measures.

This strategy and action plan has been developed incorporating ideas and opportunities from a number of sites and services to reduce our reliance on non-essential, non-recyclable single-use plastics.

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### 3. Objectives

From the Council motion, four objectives have been identified for this strategy:-

- a) **Reduce Council use of single use plastics** – Oldham Council committing to reducing our reliance on single-use plastics where practicably possible. Identifying sites and service areas where significant improvements can be made. Working with the Association of Greater Manchester Authorities on identifying all single-use plastic products purchased through the variety of public sector contracts. Communicating to staff, building users and visitors the role they have to play to ensure the success of the strategy.
- b) **Engage strategic partners and businesses** – Encouraging partners on the Oldham Leadership Board and businesses across the borough to also Do Their Bit on reducing single-use plastics. Disseminating the council's strategy and engaging with businesses to provide strategic leadership on how they can develop their own actions. Promoting the Greater Manchester Plastics Pledge and initiatives such as the Manchester bee paper straw.
- c) **Engage schools and community groups** – Getting schools and young people on board with this agenda. Supporting schools that are tackling single-use plastics through their eco-councils or the Oldham Pledge and working with members of Oldham Youth Council with engaging young people. Also assisting community groups e.g. people who manage allotments on raising awareness with members of the public who they engage with.
- d) **Engage residents** – Engaging with residents through the Green Oldham campaign, our webpage, social media, case studies, press releases, Borough Life and Family Life and identifying how they can contribute and Do Their Bit. Suggesting simple changes that can be made to daily routines that'll help save money, improve health and help the planet.

The Action Plan (Section 5) has actions for each of these objectives, including specific actions on communications for each objective which form an overall communications plan.

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#### **4. How the strategy has been developed to address the Council motion**

To fully inform the project, audits have been undertaken to gather information and understand why different types of single-use plastics are procured by services. A mix of sites and services i.e. The Civic Centre; Choices (internal catering provision); Queen Elizabeth Hall; Oldham Library and Shaw Lifelong Learning Centre were audited to understand the scale of the challenge.

Across Council sites, a number of single-use plastic products are used for a variety of reasons and occasions. Types of plastic include: bags; bottles; cups; straws; stirrers; plates; bowls; cutlery; milk cartons; individual tea bags; sachets of coffee and cling film.

Staff are aware of the impact plastic pollution has on our planet and sites and services are already taking action to reduce their reliance on plastics - for example, since September 2018, Shaw Lifelong Learning Centre has been encouraging learners to bring a reusable drinks bottle to classes, and staff at Queen Elizabeth Hall have invested in 600 cups and saucers, replaced plastic straws with paper ones, and are now using metal spoons and biodegradable cups.

It should be noted that there will be circumstances when plastic cups will still be used, e.g. as part of the licence agreement for Queen Elizabeth Hall, the council's Licencing Team in conjunction with GM Police have stipulated specific occasions when glass and polycarbonate cannot be used for health and safety reasons.

Where alternative products are available to replace single use plastics, it may be that these products have a higher cost per unit. As the market for these sustainable products develops, it is expected that the price will fall. However, by way of mitigation of any extra cost to the Council, staff and Members will be encouraged in the first instance to bring their own water bottles or cups, thus reducing the quantity of single-use cups required and hence the total cost of these items to the Council.

Where actions are proposed in the Action Plan to replace single-use plastic products with alternatives, it should be noted that these are 'snapshots' and it is anticipated that the market and costs associated with these replacement products will change rapidly, so the exact details in the Action Plan are likely to be obsolete in a short space of time. The principle of selecting better product options will however continue.

As part of the original motion it was suggested that a 'window sticker scheme' be established to recognise and acknowledge those businesses that have signed up to reducing single-use plastics. The Project Steering Group discussed the idea and agreed that a window sticker scheme might be complex and difficult to manage and enforce in terms of compliance and capacity, as well as requiring a plastic sticker for the scheme itself. The Group settled on a potentially more worthwhile and deliverable idea – namely, a compostable carrier bag available to local businesses and market stall holders. The bag would not only be supplied for carrying goods and produce home but could also be used to line the user's food caddy bin. Discussions are taking place with GMCA and GMWDA

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around the potential to use a generic dual-use compostable bag, possibly badged with the Manchester bee, which will be available across Greater Manchester including Oldham. This is on the back of previously launched products e.g. the paper drinking straw with the Manchester bee.

At the Greater Manchester Green Summit on 21 March 2018, a campaign was launched encouraging Greater Manchester businesses and residents to make the shift away from single-use plastics to sustainable alternatives. One early benefit from this initiative is that businesses from the tourism and hospitality sectors who sign up to a pledge to stop using plastic straws have the ability to procure paper straws with the Manchester bee emblem on them, and these straws will also be available to Oldham businesses.

Council officers have raised our single-use plastics initiative with the Oldham Leadership Board. Partners have been asked if they have considered the issue of single-use plastics across their sites and services and whether their organisation would be willing to match the Council's commitment to producing a strategy and action plan.

Since July 2018 the Project Steering Group has discussed the challenge of engaging with tenants in commercial properties owned by Oldham Council to encourage them to phase out single use plastic cups, bottles, cutlery and straws. The group decided that the best way to do this would be to promote the Council's own waste service collection to tenants, highlighting the fact that the Council's grey waste bin collection, where the majority of single use plastics apart bottles must go, is taken to an energy recovery facility for thermal recovery i.e. the heat captured is used to create steam, which drives turbines to produce electricity. With private waste collections there is no guarantee that this will happen, with the possibility of waste ending up in landfill.

There may be opportunities to engage with specific tenants providing catering services to encourage them to follow the Council's lead in phasing out single-use plastics.

Since the original Council motion, the Council's Overview and Scrutiny Committee had the opportunity to discuss the development of this strategy on 4 September 2018, and a question was asked at that meeting as to how the Council will engage with schools. Subsequently, liaison with schools, colleges, members of the Youth Council and community groups is taking place to ensure full engagement with all members of the community on the single-use plastics agenda.

One opportunity to work with schools is through the Oldham Pledge commitment, in particular Pledge no. 12: "Contribute to Environmental Sustainability".

## 5. Action Plan

Action	Service Area / Responsible Officer	Timescale/deadline	Cost/Resources
<b>Objective a): Reduce Council use of single use plastics.</b>			
Stop procuring plastic cups for water machines used by visitors to council buildings. Procure a small quantity of paper cups (lined with polyethylene) instead.	Corporate Property / Peter Wood	April 2019.	Single-use plastic cups cost £34.95 for 1,000; white paper cup with plastic film - £40.00 for 1,000.
Procure paper cups (lined with polyethylene) for hot drink machines looking for an alternative when it becomes available.	Corporate Property / Peter Wood	April 2019.	Single-use plastic cups cost £45.00 for 1,000. Sturdy paper cup with plastic film -£63.11 for a box of 1,000.
Paper cups (lined with polyethylene) dispensed from vending machines.	Corporate Property / Peter Wood	When contracts are due for renewal.	TBC
Crockery including cups and saucers to be used by Choices (internal catering provider).	Corporate Property / Peter Wood	April 2019.	Within existing budget
Stainless steel cutlery (or alternative reusable material) to be used by Choices.	Corporate Property / Peter Wood	April 2019.	Within existing budget
Internal and external caterers to stop using cling film to cover food and use an alternative ie tin foil	Corporate Property / Strategy, Partnerships and Policy Team	April 2019.	Within existing budget
Internal and external caterers to stop providing tea and coffee in individual plastic sachets.	Corporate Property / Strategy, Partnerships and Policy Team	April 2019.	Within existing budget
Internal and external caterers to stop providing milk in individual cartons.	Corporate Property / Strategy, Partnerships and Policy Team	April 2019.	Within existing budget
Paper plates, bowls and wooden cutlery used by external caterers. If not adhered to a waste fee is applied to cover waste collection costs.	Strategy, Partnerships and Policy Team	April 2019.	TBC
Promotion of the current recycling scheme across council sites to all staff	Jamie Whitehouse	April 2019.	£300.00 - design and printing.
Engagement with Recycle4GM to hold recycling awareness sessions for staff	Strategy, Partnerships and Policy Team	April 2019.	Officer time
Internal – Promotion of the new Choices crockery	Jamie Whitehouse	April 2019	Officer time

and cutlery provision and requirements when using external caterers.			
Internal - Staff Matters - two articles on 'Plastic isn't so fantastic' and 'Have you got the bottle?'	Jamie Whitehouse	September 2018	Officer time
Staff prevented from procuring plastic plates; bowls; cutlery; individually wrapped tea, coffee, milk and stirrers.	Mohammad Sharif	April 2019	Officer time
Greater Manchester Combined Authority is working to identify all single-use plastic products purchased under different contracts within the public sector.	GMCA	TBC	Officer time
Lobby Crown Commercial Services to update the 'Environmental Issues' section of the standard Invitation to Tender template to prompt all suppliers to think about reducing their use of single use plastics explicitly.	Mohammad Sharif	April 2019	Officer time
Update the Sustainable Procurement Impact Assessment Tool to include an explicit reference to plastic.	Mohammad Sharif	April 2019	Officer time
Raise awareness of plastic issues with the Procurement Leads.	Mohammad Sharif	April 2019	Officer time
Ensure plastic cups are not supplied in hot drinks vending machines when the tender is renewed.	Peter Wood	When contracts are due for renewal.	TBC

<b>Objective b): Engage strategic partners and businesses</b>			
<b>Action</b>	<b>Service Area / Responsible Officer</b>	<b>Timescale/deadline</b>	<b>Cost/ Resources</b>
Raise awareness at an Oldham Leadership Board meeting challenging them to do their bit.	Strategy, Partnerships and Policy Team	September 2018 plus follow-up	Officer time
Individual meetings with Oldham businesses on their action plans.	Strategy, Partnerships and Policy Team	September 2018 onwards	Officer time / potential for funded project contracted out for business engagement (TBC)
Roll-out of a generic dual-use compostable bag, possibly badged with the Manchester bee available across GM.	Mark Husdan/Town Centre/Markets Team	April 2019	TBC
Promotion of a Manchester bee paper straw to bars, pubs and restaurants in the borough. NB Businesses need to sign up to the GM plastics pledge first.	Jamie Whitehouse	January 2019	Officer time
Promote cafes, bars and coffee shops that offer to refill water bottles for free. Costa Coffee has been offering this service since March 2018.	Strategy, Partnerships and Policy Team	January 2019	Officer time



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<b>Objective c): Engage schools and community groups</b>			
<b>Action</b>	<b>Service Area / Responsible Officer</b>	<b>Timescale/deadline</b>	<b>Cost/ Resources</b>
Engagement with primary and secondary schools	Strategy, Partnerships and Policy Team	January 2019	Officer time
Engagement with colleges in the borough	Strategy, Partnerships and Policy Team	January 2019	Officer time
Council's Waste Education Officer promoting and encouraging 'Reduce, reuse and recycle' across schools.	Waste Team	On-going	
Engagement with members of the Youth Council	Strategy, Partnerships and Policy Team	January 2019	Officer time
Engagement with the Study Support Manager on the Oldham Pledge and Pledge 12: Contribute to Environmental Sustainability.	Strategy, Partnerships and Policy Team	January 2019	Officer time
Bid to Recycle4GM to fund an engagement programme for schools and community groups	Strategy, Partnerships and Policy Team	January 2019	Officer time

<b>Objective d): Residents - Engage residents.</b>			
<b>Action</b>	<b>Service Area / Responsible Officer</b>	<b>Timescale/deadline</b>	<b>Cost/ Resources</b>
Promotion of the current recycling scheme to residents	Jamie Whitehouse	As per existing Action Plan	
Explore the potential for an Oldham-badged water bottle	Strategy, Partnerships and Policy Team	January 2019	TBC
Promotional channels: <ul style="list-style-type: none"> <li>• Borough Life and Family Life;</li> <li>• Webpage – promoted on the Green Oldham webpage;</li> <li>• Social media updates (Facebook and twitter);</li> <li>• Press release – promotion of the scheme and how people can get involved;</li> <li>• Case studies – videos of residents, businesses and stakeholders who have got involved in the campaign. These can then be shared on social media and embedded on the webpage; and</li> <li>• Waste calendar promotion</li> </ul>	Jamie Whitehouse	New Year  April 2019  On-going  April 2019  On-going  Winter 2018/19	£300
Raise awareness and hold discussion sessions for community groups, people who manage allotments, etc. focussing on raising awareness with members of the public who they engage with.	Anne Fleming/Strategy, Partnerships and Policy Team/Jamie Whitehouse	Spring/Summer 2019	Officer time



## Report to CABINET

Contract Arrangements – Right Start Service, Bridgewater Community NHS Trust

### Portfolio Holder:

Cabinet Member for Health and Social Care – Councillor Chauhan

**Officer Contact:** Rebekah Sutcliffe – Strategic Director of Reform

**Report Author:** Ed Francis - Assistant Director of Safeguarding and Partnerships  
x6671

**15<sup>th</sup> December 2018**

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### Reason for Decision

The current contract for the delivery of Oldham's integrated early years offer – Right Start Service, comes to an end on 31<sup>st</sup> March 2019. This contract has an option to extend for a period of up to two years. The majority of the functions in this service are statutory in nature, applicable to both Public Health and Education.

This report recommends that Cabinet approves an extension of the contract from 1st April 2019 to 31st March 2020.

### Executive Summary

On 1<sup>st</sup> April 2016 the new integrated delivery model for Oldham Early Years Offer – Right Start and School Nursing Service was brought together from a number of providers into a single service delivered by Bridgewater Community Healthcare NHS Trust. The aim of the service is to tackle a number of key early childhood outcomes through the delivery of a number of functions as listed below:

- *Health Visiting (HCP)*
- *Children's Centres*
- *Family Nurse Partnership (FNP)*
- *Oral Health; and*

- *deliver Oldham's version of the GM 8 stage assessment and intervention model*

In addition the School nursing service was also commissioned to Bridgewater and aligned to the Right Start service creating an integrated 0-19 universal child health service.

This service contributes to and/or is responsible for a number of corporate outcome measures. They are:

Right Start and School Nursing Measure
Increase prevalence of Breastfeeding at 6-8 weeks
Healthy weight at Reception (4-5 years)
Healthy weight at year 6 (10-11 years)
Increase Immunisation uptake of MMR 2 doses by age 5
Improve Child Development at 2-2.5 years
Take up of mandated reviews and assessments
Child's health surveillance or health promotion checks

In bringing a variety of services together under one provider, Bridgewater NHS Trust became the new employer of staff groups from four different organisations including Oldham Council.

In partnership with the Council, Bridgewater have undertaken a substantial amount of reorganisation to deliver an integrated model including investment in new IT systems and the relocation of health staff from NHS premises into children's centres.

Overall performance against the contract has been as expected given the transition to the new model. The rise in safeguarding demands across the whole system locally have had an impact on Health Visiting and School Nursing services and in responding to this Bridgewater are seeing a negative impact on their ability to deliver the universal element of their roles. This is kept under continual review by Council commissioners.

It is worth highlighting that the SEND inspection of Oldham in October 2017, highlighted the integrated early years model as a key strength.

We are seeing encouraging performance in respect of our key ambition around the 'school readiness' agenda with a higher % of mandated reviews at 2 – 2.5 years being undertaken than regional and national averages. The results of these reviews show that the percentage of children who were at or above the expected level in all five areas of development is higher than the regional average but this remains a key area of focus as we track children through the new model.

The success of the Right Start model is not the sole responsibility of Bridgewater NHS trust and requires other partners from maternity services through to schools to all fulfil their role. To this end there is ongoing development and improvement activity overseen by Council commissioners linked to other developments around place based working and the review of Oldham's preventative offer.

Bridgewater are part of the Alliance under the Oldham Cares arrangements and as such may play a key future role as integrated models for children and young people are developed across the system.

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It needs noting that Bridgewater NHS Trust have recently been subject to a sustainability review by NHS Improvement as a result of changes across the health and social care system in Wigan which will see a large number of services being transferred from Bridgewater into the new provider arrangement. Such a review is the norm in such circumstances and the outcome is expected in December. Clearly the findings from this will inform consideration of the recommended option to extend as will the outcome of the recent CQC inspection when findings are published.

The Council has the ability to extend the contract for up to two years but a one year extension is felt to be appropriate at this time given the fact that the outcome of the sustainability review is not yet known and the need for the Council to retain flexibility in its ability to commission alternative arrangements from 2020 on the back of new delivery models currently being scoped.

### **Recommendation**

- To extend the current contract for the Right Start and School Nursing Service for a period of 1 year from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020

**Right Start Service and Bridgewater Community Healthcare NHS Trust****1 Background**

- 1.1 On 1<sup>st</sup> April 2016 the new integrated delivery model for Oldham Early Years Offer – Right Start and School Nursing Service was brought together from a number of providers into a single service delivered by Bridgewater Community Healthcare NHS Trust, for the period 1st April 2016 to 31<sup>st</sup> March 2019 with an option to extend for up to two years. The Right Start service aligns to the GM Early Years Delivery Model and also delivers a number of mandated/statutory functions for Public Health and Education.
- 1.2 The Right Start Service for Oldham has been developed and aligned to the Greater Manchester delivery model for Early Years, an approach that Oldham was already testing prior to commissioning the integrated service and was instrumental in shaping from the start. It should also be noted that since the implementation of the Oldham model there has been significant interest both across GM and nationally, with attendance at a number of conferences and/or visits to other local authorities.
- 1.3 The service entitles families with young children from conception to 5 years to a set of universal and targeted evidence based services, through the 8 stage integrated assessment model and corresponding pathway of intervention.
- 1.4 The model enhances the statutory elements of the health visiting service, Healthy Child Programme 0-5 and 5-19 with children's centres as the vehicle for delivery in localities, providing the **core universal preventative service for children and young people** alongside schools and early years settings.
- 1.5 Key functions delivered through this service are:

**Right Start Early Years Service (0-5)**

- Function One:** Delivery and co-ordination of a range of Early Childhood Services on a district/locality basis with designated children's centres providing the 'shop front' for the service.
- Function Two:** Delivery of the Healthy Child Programme (0-5).
- Function Three:** Delivery of the Children's Centre Core Purpose.
- Function Four:** Delivery of Oldham's Right Start assessment model and associated interventions.
- Function Five:** Delivery of the Family Nurse Partnership targeted intervention, for vulnerable teenage parents.
- Function Six:** Co-ordination and delivery of Council's Oral Health Plan for under 5s.

**Right Start School Nursing Service (5-19)**

- Function One:** Delivery of the Healthy Child Programme (5-19) via the School Nursing role.

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- Function Two:** Delivery of the National Child Measurement Programme across Oldham.
- Function Three:** Deliver immunisation Services for children and young people aged 5-19 years (this will be co-commissioned with NHS England/GM Health & Social Care Partnership but forms an integral part of the service).
- Function Four:** Development of a health plan for each school.

In addition there was an expectation that the provider would develop a traded service function to schools to support delivery of the wider Healthy Child Programme (5-19).

- 1.6 Over the course of the current contract period the provider has worked to achieve the integrations of the staff and functions across the service, whilst maintaining the required level of performance.

## **2 Current Position**

### **2.1 Staff Restructure to Deliver the Model**

2.1.1 Staff TUPE arrangements brought together a range of staff who had previously been employed by 4 different organisations; Pennine Care NHS Foundation Trust, Oldham Council, Action for Children and The Children's Society under the management of Bridgewater.

2.1.2 The restructure was complex and challenging in that it required a significant redesign of job roles and responsibilities to bring about a full integrated Right Start and School Nursing service, which must ensure effective operational line management and practice leadership to an integrated multi professional team, and ensuring the ability to be able to report delivery against the agreed performance framework and be financially viable.

2.1.3 Bridgewater have recently secured funding from Health Education England to recruit and train five student health visitors and five student school nurses. This will have a significant impact on the service and enable the 'grow your own' model for staffing in Oldham.

2.2 **ICT Integration** - The improved use of ICT has been a particular focus in the transformation of the service, the aim being to reduce the burden of paper recording and gathering intelligence.

2.2.1 The provider has implemented their electronic Integrated Digital Care Record (IDCR) by April 2017. This has enabled staff to use the mobile application giving them online and offline access to user records, no matter their location, including in service user homes or when in transit. Staff use electronic 'Think Pads' in the course of their assessments and interventions with service users, gathering intelligence that will feed directly back to the client/child record. This has had a significant impact for the service freeing up more time for practitioners to spend with children, young people and families in a face to face capacity and bring efficiency to the service.

2.2.2 The system is also the conduit for performance information which will facilitate the more effective monitoring of the contract but also the planning and delivery of services locally.

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2.2.3 Oldham was successful in being selected for a GM Connect Early Years digitisation pilot which aimed to digitise child records and develop information sharing and data reporting at a district (Oldham), pan-district and GM level. This initial phase has now been completed with the digitisation of 66,000 child health records. This project was jointly funded by GM Connect and Oldham Council.

2.2.4 GM has sought expressions of interest for the next phase of integration relating to the ASQ, by piloting the development a central GM digital solution with local systems and to provide the ability to share information digitally between different professionals across the GM 8 Stage Assessment Model.

## 2.3 Estate Integration

2.3.1 The service has now integrated all staff into the children's centres, for both service delivery and staff accommodation. This process was successfully managed with support from the local Strategic Estates Group. This achieved both the physical integration of the service and reduced the financial burden (in relation to estates) to the council for this service. Completion of the aforementioned digitisation project was a significant factor in success of the estates integration.

## 2.4 Oldham Alliance Agreement and Bridgewater Community Healthcare NHS Trust

2.4.1 Oldham Cares – Oldham Locality plan approved by the Health and Wellbeing Board in September 2016 and refreshed in 2017 is the joint plan for fundamental reform of the health and care system in the Oldham Borough.

2.4.2 The locality plan outlines key transformational programmes that will enable Oldham to deliver significant improvements in the health and wellbeing of our residents. In order to deliver against these plans we have established the Oldham Cares partnership (OCP), as a partnership of health and care providers working together to develop an integrated approach to health and social care, as set out in our vision statement:

*'The Oldham Cares Partnership will be a new alliance of providers working together to improve integrated and joined up services based around primary care, focused on prevention and early intervention, bound by a common narrative and approach, and with a stake for each organisation (including the local hospital) in the scaled reduction of demand'.*

2.4.3 Bridgewater Community Healthcare NHS Trust is part of this partnership arrangement which is secured by an 'alliance agreement' as are the key commissioning participants – OMBC and OCCG.

2.4.4 The commissioner participants have agreed to deliver a single approach to commissioning health and care services in order to transform services and improve outcomes. This will enable integrated working and include development of pooled budgets.

2.4.5 A Section 75 agreement exists between Oldham CCG and OMBC, this has historically included areas of joint commissioning e.g. Better Care Fund and Integrated Community Equipment Service. The current budgets (mainly Public Health) funding the Right Start model are not part of any current agreement but child health services funded by the CCG (including children's community nursing services) are. As integrated commissioning arrangements for children and young people develop this will be reviewed.



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## 2.5 Performance monitoring

2.5.1 The service is required to submit quarterly performance reports and data to evidence impact against the following outcomes. Overall the service is performing well and is utilising child level data well in order to target resources and interventions. This service contributes to and/or is responsible for a number of corporate outcome measures. They are:

Right Start and School Nursing Measure
Increase prevalence of Breastfeeding at 6-8 weeks
Healthy weight at Reception (4-5 years)
Healthy weight at year 6 (10-11 years)
Increase Immunisation uptake of MMR 2 doses by age 5
Improve Child Development at 2-2.5 years
Take up of mandated reviews and assessments
Child's health surveillance or health promotion checks were up to date (in borough)

2.5.2 Output measures will continue to have a minimum target of 95% in line with national requirements but with the expectation that 100% of children are seen at each mandated visit. Sustained and frequent contact is the expectation for those in vulnerable groups. The service currently visits these children on a monthly basis.

2.5.3 Breastfeeding targets remain a challenge in Oldham, however a significant amount of work is being undertaken to identify individual families to offer additional infant feeding support at the earliest opportunity.

2.5.4 Oral health has seen a significant improvement with rates of dental decay in 5 year olds reducing by of 16% since 2014/15. This puts Oldham as the fourth highest performing authority in Greater Manchester – previously ninth.

2.5.5 Child Development at 2-2.5 years is currently showing that the % of children reaching expected level of development is 86%. Oldham still has a significant performance challenge however in the number of children reaching a 'Good Level of Development' at the end of the Early Years Foundation Stage and Bridgewater's key contributory role in driving improvement is under close scrutiny. Furthermore the need to increase access to Family Learning in Children's Centres has been identified as an area for development.

2.5.6 Family Nurse Partnership is currently delivered as part of this contract and subject to a positive evaluation it is intended that the FNP service will be continued in line with the overarching Right Start contract.

2.5.7 The Right Start service is currently reporting increasing and unprecedented demand in relation to their high need / children at risk caseload. The service is also involved in a number of serious case reviews which is placing additional demand on the service. The organisation reports that this is significantly higher than the other boroughs they work in. It should be noted that the average caseload for health visitors in Oldham is c250-300 and for a school nurse 3,500.

2.5.8 As a result of the increased demand on the clinical teams Bridgewater have realigned a health visitor from the frontline to the safeguarding nurse team to support the increase in demand. However we should note that this in turn could have an impact on frontline capacity.

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## 2.6 Care Quality Commission

2.6.1 Bridgewater Community Healthcare NHS Trust was subject to a CQC inspection in Autumn 2016. The overall grading was requires improvement, however it should be noted that there were no concerns reported in relation to the Oldham services at the time of inspection. Since the time of the last inspection Bridgewater has been working with commissioners and NHSI on a quality improvement action plan and appears to be making progress.

2.6.2 Subsequent to this, Bridgewater were subject to a CQC inspection in September 2018 and additionally, an in depth inspection of the 'well-led' domain within the NHS inspection framework. The CQC report has not yet been published.

## 2.7 Bridgewater Sustainability Review

2.7.1 As we know the Greater Manchester policy mandate resulting from the devolution deal is creating 10 new integrated care organisations, one for each of the 10 individual boroughs within the Greater Manchester footprint.

2.7.2 Bridgewater has been integral to the development of Wigan's system-wide solution for integration. As a result there will be a new Local Care Organisation (LCO) in place by the start of the financial year 2019/20 and at that point, services will transfer out of the Trust into the LCO.

2.7.3 In light of this development Bridgewater are working with their regulator NHSI during this process. The NHSI team has been meeting with Bridgewater and their key stakeholders to understand how Bridgewater's Quality and Place strategy aligns with commissioning organisations strategic intentions, as they complete a review of the sustainability of their clinical, operational and financial plans.

2.7.4 Oldham Council and CCG senior managers have been involved in this process and the results of the review are expected in December 2018. The overarching purpose of such a review is to ensure service continuity across the NHS at a time of significant change and any decision on an extension to the current contract will be informed by the outcome.

## 3 Wider system context in children's services and public health

3.1 Recent consideration and evaluation of Oldham's current approach to early intervention and prevention has exposed a need to fundamentally re-examine what we do and develop a whole system model. A review has commenced to develop a coherent strategic approach to early intervention and prevention.

3.2 This necessity has arisen as a consequence of rising levels of demand and need, the changing public service landscape and the consequent complexity that exists around activity that constitutes early intervention and prevention.

3.3 It should be recognised that the Right Start service 0-19 as described in section 1 of this report, and delivered by Bridgewater, provides the core universal preventative service for children and young people alongside the schools and early years settings education offer. As such these services should be considered in the context of a prevention strategy for the Oldham system as a key contributor given the mandated/statutory functions delivered on behalf of the Council.

3.4 The extension of the current contract does not prevent service development or remodeling in the event of Oldham adopting a more integrated preventative/early intervention offer

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such as the Stockport Family model, or a move towards further integration of children's health services under Oldham Cares.

#### 4 **Conclusion**

- 4.1 The performance against the contract with Bridgewater for the Right Start Service is good overall and improving. Bridgewater as an organisation is proactive in responding to change initiatives both locally and at GM level.
- 4.2 Bridgewater is an active member of the local ICO arrangements and the 'Alliance agreement' and has become a valued local delivery partner.
- 4.3 In considering the matter of the contract extension it would be prudent to await the outcome of the sustainability review before confirming any contract extension.

#### 3 **Options/Alternatives**

- 3.1 Given the transformative nature of the Right Start model it was envisaged from the start that any provider organisation would take time to effect the structural changes necessary and that delivery over a five year period would give the best chance of success. Had provider performance been significantly below what was expected then this would have been addressed earlier however this has not been the case. Two viable options therefore are submitted for consideration.

##### 3.2 **Option 1 – Extend the current arrangements for a period of one year for the period 1<sup>st</sup> April 2019 – 31<sup>st</sup> March 2020.**

This secures both the current service delivery and financial envelope for a further year and may be seen as a prudent option given the number of transformation programmes currently in play locally and may be seen to give the Council more flexibility than a two year contract arrangement would bring. It also allows for the outcome of the sustainability review into Bridgewater to be confirmed and any implications for future delivery be noted.

This option however does not give substantial assurance of business continuity to the provider and may limit the ability to introduce service developments during the contract term.

This option would still allow for a further one year extension for 2020/21 (subject to Cabinet approval) should this be in the Council's interests.

##### 3.3 **Option 2 – Extend the current arrangement for a period of two years for the period 1<sup>st</sup> April 2019 – 31<sup>st</sup> March 2021.**

This secures both the current service delivery and financial envelope for a further two years. The suggested extension period would allow for the development of the approach to children and young people's services within Oldham Cares to unfold and the outcome of the current transformation programmes to be known prior to making a significant change to the provider model and wider patient pathways.

Given that the outcome of the sustainability review is not yet known and the development of approaches to the wider system of support to children and families this option may not give the Council the flexibility it may require.

#### 4 **Preferred Option**

- 4.1 Option 1 – Extend the current arrangement for a period of one year for the period 1<sup>st</sup> April 2019 – 31<sup>st</sup> March 2020.

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## 5 **Consultation**

- 5.1 This matter has not been subject to public consultation. There has been ongoing dialogue with the CCG who also commission related children's services.

## 6 **Financial Implications**

- 6.1 It is proposed that the existing contract with Bridgewater be renewed for a further one year period, from April 2019 to March 2020.
- 6.2 There are no adverse financial implications as a result of this proposal.
- 6.3 It should however be noted that there is a wider potential impact on the service with regard to unresolved premises/ accommodation issues relating to other Public Health contracts which could, depending on the outcome, have an overall detrimental impact on the financial position of the service, potentially requiring management actions to reduce the overall cost base. (Jenny Howarth/Gioia Morrison)

## 7 **Legal Services Comments**

- 7.1 Under Rule 17(1) of the Council's Contract Procedure Rules the Council may modify an existing contract and grant an extension provided there is a provision in the original terms and conditions of contract advertised at the time of tender to enable the Council to take up the option to extend the contract.
- 7.2 The narrative in the report refers to a CQC inspection of Bridgewater NHS Trust in 2016 and again in September 2018. The outcome of the latest in depth review of the overall delivery of services delivered by Bridgewater NHS Trust is awaited. Members may wish to consider the recommendation outlined in the report in the light of the published results. (Elizabeth Cunningham Doyle)

## 8. **Co-operative Agenda**

- 8.1 The Right Start model is a key element of the Council's drive to establish cooperative services, working in partnership with residents to achieve the best outcomes.

## 9 **Human Resources Comments**

- 9.1 N/a

## 10 **Risk Assessments**

- 10.1 This contract includes statutory services, therefore there is a risk that if the contract is not extended and alternative delivery arrangements cannot be put in place, that the Council would not be fulfilling its statutory responsibilities.

## 11 **IT Implications**

- 11.1 None

## 12 **Property Implications**

- 12.1 The current license agreements will need extending to align with contract end dates.

## 13 **Procurement Implications**

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- 13.1 Provision exists in the original procurement exercise to extend this contract in line with the recommendations in this report. Strategic Sourcing therefore supports the recommendations in this report. (Neil Clough)
- 14 **Environmental and Health & Safety Implications**
- 14.1 The provider organisation is expected to comply with all relevant legislation.
- 15 **Equality, community cohesion and crime implications**
- 15.1 The Right Start model has a key element about reducing health and learning inequalities in Oldham and the Children Centre footprint on which the model is physically based was devised with a focus on tackling deprivation.
- 16 **Equality Impact Assessment Completed?**
- 16.1 No
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 CHS-01-18.
- 19 **Background Papers**
- 19.1 Right Start Contract Award Report October 2015.  
<https://committees.oldham.gov.uk/documents/b18131/Budget%20Proposals%20201617%20and%20201718%20Tranche%201%2019th-Oct-2015%2018.00%20Cabinet.pdf?T=9>
- 20 **Appendices**
- 20.1 None

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## Report to CABINET

# Oldham Housing and Social Welfare Advice Services Contract Extension

**Portfolio Holder:** Cllr Hannah Roberts, Cabinet Member for Housing

**Officer Contact:** Helen Lockwood, Executive Director, People and Place

**Report Author:** Zillur Rahman, Principal Housing Strategy Officer  
**Ext. 5149**

**17<sup>th</sup> December 2018**

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### Reason for Decision

This report sets out two options for the future procurement arrangements for the services currently provided by First Choice Homes Oldham Ltd. These services include social welfare advice and a range of statutory and non-statutory housing advice and support services for people in Oldham.

### Recommendations

1. Approve the extension of the Housing Advice Contract for a period of 12 months as set out in Option One, to enable the strategic direction outlined in this report to be delivered.

**Oldham Housing and Welfare Social Advice Services Contract Extension****1 Background**

- 1.1 The Oldham Housing and Social Welfare Advice Services (OHSWAS) was procured in December 2015 and is delivered by the lead partner First Choice Homes Oldham Ltd (FCHO). The current contract approved by Cabinet in August 2015 was for a period of up to 7 years. After an initial 3 year period, a yearly extension may be granted provided that the term of the contract does not exceed a total of 7 years.
- 1.2 The contract includes the delivery of a number of different services, including:
- Statutory homelessness and housing advice, including the provision of temporary accommodation and support
  - Tenancy Relations service
  - Central Access Point for supported accommodation
  - Management of the council's housing register, delivery of housing options advice and operation of the our Choice Based Lettings Scheme, and
  - Legal and Advice services including General Help and Specialist Help including debt, Welfare Benefits, Housing, Employment, Immigration and Asylum advice and representation at court or tribunals for complex areas of law.
- 1.3 These services were incorporated into one contract in order to mitigate the impact of aspects relating to welfare reform. Scoping of these services, at the time, identified an overlap in provision from a housing, benefits and money advice standpoint, with customers being referred across services when their needs should be met at first point of contact. The council believed that an integrated service would therefore improve the customer journey by reducing duplication, and making better use of specialist and technical advice, and improving accessibility of services to residents throughout the borough.

**2 Current Position**

- 2.1 Demand for all the services under this contract face significant challenges. The Homelessness Reduction Act (HRA) has placed new duties on local authorities to provide additional advisory services, assessment of housing and support needs and increase the steps local authorities take with regards to preventing and relieving homelessness. It has changed the statutory definition of "threatened with homelessness" from 28 days to 56 days, effectively doubling the length of time officers are expected to support customers. This new duty ensures customers can get help at an earlier stage of the homelessness and housing advice process.
- 2.2 With the introduction of the new legislation the pressure on temporary accommodation (TA) has been increasing. The number of TA units have increased over the past year to help with this; however, the service is increasingly relying on bed and breakfast and other nightly private provider placements to meet statutory accommodation duties. Exacerbating the issue is that the rest of Greater Manchester are also experiencing increasing homelessness, and therefore are effectively competing for the same TA provision. This is leading to several instances where households are placed further away from the borough, and in some instances outside of Greater Manchester.
- 2.3 Since the commencement of the contract, the annual number of social housing lets have been steadily declining. At the same time the number of households on the Council's Housing Register has been increasing. Evidence from the Tenancy Relations service, which provides information and advice to private rented tenants on a variety of subjects including eviction or being asked to leave their home; repairs; harassment from your



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landlord, etc., indicate that tenants are struggling to sustain their private rented tenancies and are turning to social housing, placing further demands on a service that's already struggling.

- 2.4 There has also been a similar increase in demand for access to supported accommodation and Legal and Advice Services, particularly in relation to complex cases, where households are presenting with a number of serious connected issues around housing, debt and welfare benefits.
- 2.5 All of the services provided under the current contract have been subject to regular monitoring and performance review and despite the current challenges and pressures, the contractor has performed relatively well and has delivered the desired outcomes for the people of Oldham over the period of the contract.
- 2.6 In addition, the council is currently developing a new Housing Strategy and reviewing its Residential Development Prospectus. Alongside this, there are a number of important pieces of work that are currently underway at GM level, including the development of a GM Housing Strategy, Spatial Framework, Homeless Strategy, explore the future options of Supported Accommodation, GM Social Lettings Agency and access to social housing in the GM districts. The outcome of these work-streams and the emerging strategies will need to be reflected in the forthcoming options appraisal. It is anticipated that these strategies and in particular our new Housing Strategy will underpin the delivery of new redesigned service.
- 2.7 An extension to the contract would therefore enable the council to undertake a full review, accurately reflecting the impact of the homeless legislation, housing related supply and demand issues, challenges and pressures across other council services, and carry out a detailed options appraisal, allowing the council to fully explore and evaluate a number of different delivery models which best meets our strategic objectives and priorities.

### 3 **Options/Alternatives**

- 3.1 Option 1
- 3.2 Extend the Housing Advice Contract for 12 months at the same terms and conditions as last year. This will allow time for the council to undertake a full review of the service and develop a detailed options appraisal for future delivery of services. If we are unable to complete this piece of work within 12 months, the council has the option to extend the contract on a year by year basis (for a maximum of 4 years). The contract has been designed in this way so that the council has the flexibility to extend the contract only for the time period which is necessary in which to carry out such a review. Once the review has been undertaken and the options appraisal has been completed, the Council will have the option to terminate the contract prior to the expiry of the full 7 year commitment.
- 3.3 Option 2
- 3.4 Do not extend the contract and bring the services in-house. To exercise this option the council would need to serve a 6 month termination notice on the contract. Within this timeframe the council would need to source alternative provision to ensure its statutory obligations are fulfilled with regards to homelessness and housing advice services. To transfer services of this scale and complexity would create a lot of disruption and the quality of the services provided would be significantly affected.

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#### 4 **Preferred Option**

- 4.1 The preferred option is option 1 as this would ensure no disruption to the current services while at the same allow the council to review and explore all available options for future delivery.

#### 5 **Consultation**

- 5.1 Consultation has taken place with the contractor and a wide range of internal stakeholders about all of the services provided FCHO.

#### 6 **Financial Implications**

- 6.1 These are outlined in the report in the restricted part of this agenda

#### 7 **Legal Services Comments**

- 7.1 There is provision in Rule 17.1 (a) of the Council's Contract Procedure Rules to modify a contract where there are clauses in the original tendered contract which list the scope and nature of the possible modifications and the conditions under which they may be used and do not provide for modifications which would alter the overall nature of the contract. The existing contract with First Choice Homes Oldham Ltd has such provisions, as outlined in the body of the report, and therefore it is within the scope of the Rules to grant an extension as per the recommendations in the report. (Elizabeth Cunningham Doyle)

#### 8. **Co-operative Agenda**

- 8.1 The contract with FCHO Ltd supports the Council's Co-operative agenda.

#### 9 **Human Resources Comments**

- 9.1 In relation to the preferred option it is not anticipated that there will be any human resource implications.
- 9.2 With the second option, subject to sourcing alternative service provision, there could be human resource issues which will be progressed in accordance with existing policies and procedures. (Stewart Hindley)

#### 10 **Risk Assessments**

- 10.1 Extending the contract by a year has no risks as the original contract has this flexibility (Mark Stenson).

#### 11 **IT Implications**

- 11.1 Not applicable

#### 12 **Property Implications**

- 12.1 None

#### 13 **Procurement Implications**

- 13.1 The original procurement was undertaken in line with the Council's Contract Procedure Rules & EU Regulations with a built in provision to extend on a year on year basis for a maximum of 4 years.

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- 13.2 The initial contract expiry date is 31st December 2018 however the first extension period will take the expiry to the 31st December 2019. In this extension period a service review will be undertaken in which a decision will be made as to the future of the service taking into account local, regional and national strategies. Commercial Services will need to be included in these discussions to ensure the most appropriate procurement route is identified producing a contract which offers both high quality service delivery and value for money.
- 13.3 Commercial Services support the recommendations set out in this report. (Emily Molden)
- 14 **Environmental and Health & Safety Implications**
- 14.1 Not applicable
- 15 **Equality, community cohesion and crime implications**
- 15.1 Not applicable
- 16 **Equality Impact Assessment Completed?**
- 16.1 No
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 HFG-04-18
- 19 **Background Papers**
- 19.1 None
- 20 **Appendices**
- 20.1 None

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