

CABINET
14/12/2020 at 6.00 pm



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

1 **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

2 **URGENT BUSINESS**

There were no items of urgent business received.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no public questions received.

5 **MINUTES OF THE CABINET MEETING HELD ON 30TH
NOVEMBER 2020**

RESOLVED – That the minutes of the Cabinet meeting held
on 30th November 2020 be approved as a correct record.

6 **COUNCIL TAX TAX BASE AND NON-DOMESTIC RATES
TAX BASE FORECAST 2021/22**

The Cabinet gave consideration to a report of the Director of
Finance which set out information on the Council Tax Tax Base
for 2021/22 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 2021/22 was
95,213. This figure was reduced to 86,254.25 after allowing for
discounts and exemptions and translated to the equivalent of
68,469.9 Band D properties. After applying adjustments for the
Local Council Tax Support scheme offset by the additional
charging for empty properties and an anticipated increase in the
number of properties to be included in the valuation list over the
forthcoming year, the number of Band D equivalent properties
reduced to 59,121.6. The final Tax Base after the application of
the anticipated collection rate of 96.75% is 57,200 which was a
decrease of 463 when compared to the Council Tax Tax Base
for 2020/21 of 57,663.

The 2021/22 Tax Bases for Saddleworth and Shaw and
Crompton Parish Councils of 8,699 and 5,479 respectively, had
been calculated using the same methodology.

Statute required local billing authorities 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 31 January each year.
This forecast would be used to determine the 2021/22 “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 (now extended by at least a further year until 31 March 2022) meant the Council no longer payed a share of Business Rates to Central Government. Instead, Oldham currently retained 99% of the income with 1% being paid to the Greater Manchester Combined Authority for Fire and Rescue services.

The estimated rating income for 2021/22 attributable to Oldham Council was currently £49.640m which was a reduction of £0.784m compared to 2020/21. Delegation was sought to enable the Business Rates forecast to be updated to take account of the 2021/22 PLGFS and up to date Non-Domestic Rates information, enabling the submission to Central Government of the annual NNDR 1 return by the statutory deadline of 31 January 2021.

Oldham had 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 was to retain the benefits of any Business Rates growth within Greater Manchester for the benefit of the region.

This report sought approval to continue these arrangements into 2021/22 (subject to the notification of the 2021/22 PLGFS).

It was highlighted to Members that the preparation of Council Tax and Business Rates taxbases was being undertaken in a period of unprecedented uncertainty and volatility. The COVID-19 pandemic has reduced the Council Tax and Business Rates income collected in 2020/21 to the extent that an income deficit is projected at the end of 2020/21 (this is initially accounted for in the Collection Fund).

In 2020/21, the Government significantly extended business rates reliefs to businesses and introduced a Council Tax Hardship grant. Both these initiatives were currently anticipated to conclude at the end of the year, but although these there had been a positive impact on the Collection Fund in year, a deficit still prevailed.

The Government had provided a means for the impact of this deficit to be addressed over 3 financial years and had advised of other support for in relation to reduced Council Tax and Business Rates income. This support was to be announced in the Spending Review which was due later this month.

Options/alternatives

The Council had little discretion in the calculation of the number of properties incorporated into the Council Tax Tax Base given the legislative framework that was in place. However, there was some discretion in estimating the number of new properties that will be included on the Council Tax register during 2021/22 and the change to the number of claimants of Council Tax Reduction. A prudent view had been taken in this regard. The main area for an alternative approach was 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 reduce its 2021/22 collection rate to 96.75%. This decision had been

influenced by prevailing economic circumstances and current trends in collection rates.

The NNDR1 return generated the figures upon which the Business Rates Tax Base is prepared. It was not therefore appropriate to consider an alternative approach. However, as the figures included on the NNDR1 return on 31 January 2021 may vary from the estimated level, delegation was sought to allow the opportunity to revise the Business Rates forecast and approve a revised and more accurate position for budget setting.

RESOLVED:

1. The Council Tax Tax Base for 2021/22 at 57,200 Band D equivalent properties be approved.
2. The latest estimate for 2021/22 Business Rates revenue that is attributable to Oldham Council as being £49.640m be agreed.
3. The Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,699 and 5,479 respectively be noted.
4. The decision to vary the final Business Rates forecast and hence the Business Rates Tax Base, if required, be delegated to the Deputy Leader and Cabinet Member for Finance and Green in consultation with the Director of Finance.
5. The final decision of the Council's membership of the proposed Greater Manchester, Cheshire East & Cheshire West and Chester Councils Business Rates Pool for 2021/22 be delegated to the Deputy Leader and Cabinet Member for Finance and Green in consultation with the Director of Finance, (subject to the information contained in the 2021/22 Provisional Local Government Finance Settlement).

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SCHOOLS NATIONAL FUNDING FORMULA

Consideration was given to a report of the Director of Finance which provided the Cabinet with details of the level of Dedicated Schools Grant (DSG) for 2021/22 together with its allocation across the three funding blocks for which information was currently available.

The report also provides information about the National Funding Formula (NFF) for Schools, the High Needs Blocks for Oldham and also presented a recommended approach for the distribution of the Schools Funding Block of the DSG to Schools and Academies for 2021/22.

The Cabinet were advised that this funding was based on October 2019 pupil numbers and would be subject to change once calculations have been updated to reflect October 2020 pupil numbers.

In addition, the report presented the proposed option (Model 1 as detailed in Appendix 1) to move to the 2021/22 National Funding Formula cash values in full except for the Area Cost Adjustment (ACA) where it was proposed that the factor applied in Oldham was initially reduced from 1.00545 to 1.00000. However. Members were advised that if there are any resources available once funding allocations based on updated pupil numbers are received, then this additional funding would be allocated through an increase to the ACA.

It was also proposed that there was a 0.5% movement of funding from the Schools Block to the High Needs Block in order to manage the DSG (which was currently in a deficit position) so that the DSG was brought back into a balanced position as soon as possible. As highlighted in the report, the continued agreement of the Schools Forum to the proposed 0.5% movement of funds between the Schools and High Needs Blocks remained essential given the current financial position of the DSG. At its meeting on 18 November 2020, Schools Forum agreed to the 0.5% movement and approved the proposed distribution of the Schools Funding Block (Model 1).

Option/alternatives considered

There was a requirement for the 2021/22 funding formula to be agreed by Schools Forum. The report set out the funding formula agreed unanimously by Schools Forum members at their meeting on 18 November. Members are not therefore presented with an alternative approach.

RESOLVED – That:

The model outlined in the report which was a move to the 2021/22 National Funding Formula cash values in full except for the Area Cost Adjustment factor, which was reduced to 1.00000 but with the opportunity to adjust the ACA if there are any resources available once actual 2021/22 funding allocations are received be approved.

The 0.5% transfer of funding between the Schools and the High Needs Blocks be approved.

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STATEMENT OF ACCOUNTS 2019/20

Consideration was given to a report of the Director of Finance which presented the Council's audited Statement of Accounts for the financial year 2019/20 as considered by the Audit Committee on 21 July 2020. Delegated authority was given to the Vice Chair of the Audit Committee after consultation with Director of Finance to approve the accounts pending the resolution of two outstanding queries. The first was assurance with regard to the audit of the Greater Manchester Pension Fund (GMPF) and the second, the resolution of an outstanding item relating to the Council's investment in the Manchester Airport Holdings Limited. The accounts were subsequently approved on 10 November 2020, with only one change to the Statement of Accounts presented and accepted at the Audit Committee on 21 July 2020, being additional wording required on the assurances of asset valuations highlighted as a result of the conclusion of the GMPF audit.

The report highlighted:

- The overall revenue outturn position for 2019/20 was a surplus of £0.270m. This was an increase on the favourable variance of £0.065m projected at month 9 that was reported to Cabinet on 23 March 2020.
- The year-end variances that were attributable to each Portfolio.
- Schools balances at 31 March 2020 at £5.487m but offset by the deficit on the Dedicated Schools Grant (DSG) of £4.916m leaving a net balance of £0.571m held within Other Earmarked Reserves.

- The final Housing Revenue Account (HRA) balance was £21.796m.
- The balance on the Collection Fund was a surplus of £3.295m
- The small reduction in revenue account earmarked reserves of £1.263m to a level of £79.360m, a decrease in other earmarked reserves of £4.431m to a level of £8.504m and an increase in the General Fund balance of £0.270m to £15.110m, reflective of the revenue outturn position
- Expenditure on the Council's Capital Programme for 2019/20 was £54.383m which was an increase on the month 9 forecast expenditure of £52.497m. The increase in expenditure required funding allocated to future years to be re-profiled to fully finance the Capital Programme in 2019/20.
- Capital Receipts in year totalled £9.914m, all of which were used to finance the Capital Programme in year.
- The significant items in each of the primary financial statements.
- The preparation of Group Accounts incorporating the Councils two wholly owned companies – the Unity Partnership Ltd. and MioCare Community Interest Company
- The performance of the Finance Team in closing the accounts.

Options/alternatives considered

No alternatives are presented other than that Cabinet notes the final accounts position for 2019/20, the Statement of Accounts and the Audit Completion Report and commends this report and the Statement of Accounts to Council.

RESOLVED – That:

1. The Council's final accounts position for 2019/20, the Statement of Accounts, and the Audit Completion Report be noted.
2. This report and Statement of Accounts be commended to Council

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COUNCIL PERFORMANCE REPORT SEPTEMBER 2020

The Cabinet gave consideration to a report of the Head of Strategy and Performance which provided a review of Council performance to September 2020

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.

Options/Alternatives considered:

To note the Council performance September 2020.

RESOLVED – That the Council Performance Report September 2020 be noted

The meeting started at 6.00pm and ended at 6.17pm