

CABINET Agenda

Date Monday 22 March 2021

Time 6.00 pm

Venue Virtual meeting <http://livemeetings.oldham.gov.uk>

- 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 Liz Drogan in advance of the meeting.
 2. CONTACT OFFICER for this Agenda is Liz Drogan Tel. 0161 770 5151 or email elizabeth.drogan@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, 17 March 2021.
 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.

Recording and reporting the Council's meetings is subject to the law including the law of defamation, the Human Rights Act, the Data Protection Act and the law on public order offences.

MEMBERSHIP OF THE CABINET IS AS FOLLOWS:

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

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 the Cabinet meetings held on 22nd February 2021 and 23rd February 2021 (Pages 1 - 32)

6 Revenue Monitor and Capital Investment Programme 2020/21– Month 9 December 2020 (Pages 33 - 86)

7 Arrangements for the preparation of 'Places for Everyone': A proposed Joint Development Plan Document on behalf of nine Greater Manchester districts (Pages 87 - 104)

8 Accessible Oldham Framework Contract (Pages 105 - 114)

9 Street Bin Replacement (Pages 115 - 124)

10 Telephony Modernisation (Pages 125 - 130)

11 Construction Framework Delivery and Management Partner Concession Contract (Pages 131 - 138)

12 Request for approval to collaboratively commission an Integrated Sexual Health Service with Rochdale and Bury Councils (Pages 139 - 144)

13 0-19 years integrated partnership model

To follow

14 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 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 Construction Framework Delivery and Management Partner Concession Contract (Pages 145 - 154)

16 Request for approval to collaboratively commission an Integrated Sexual Health Service with Rochdale and Bury Councils (Pages 155 - 174)

17 0-19 years integrated partnership model

To follow

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 25TH
JANUARY 2021**

RESOLVED – That the minutes of the Cabinet meeting held on
the 25th January 2021 be approved.

6 **GM CLEAN AIR PLAN CONSULTATION**

Consideration was given to a report of the Deputy Chief Executive which set out the progress that had been made on the development of Greater Manchester's Clean Air Plan following a public consultation on proposals that were developed pre-COVID-19 and the link to taxi and private hire common minimum licensing standards.

In Greater Manchester, the 10 local authorities, the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM), collectively referred to as "Greater Manchester" or "GM", had worked together to develop a Clean Air Plan to tackle NO₂ Exceedances at the Roadside, referred to as GM CAP. This report set out the progress of the GM CAP and the next steps for the development of the Clean Air Plan and the closely linked Minimum Licensing Standards (MLS) for taxi and private hire services.

Since the last report there has been no confirmation or offer of government funding for LGVs or hackneys, or the taxi and private hire electric vehicle charge points.

Government ministers have agreed to consider extending Greater Manchester's Clean Air Zone (CAZ) charges to the sections of the A628/A57 in Tameside which form part of the Strategic Road Network, within the proposed CAZ boundary. The extension of any charges to the A628/A57 will be subject to a full assessment of the potential impacts, to be led by Highways England. Following the assessment ministers will take the final decision on whether or not charging should be implemented on the A628/A57.

GM was awarded £14.7m of funding for the retrofitting of buses, and this work commenced in December 2020. GM's bus retrofit fund offers operators of locally registered bus services up to £16k of funding per vehicle towards the retrofit of non-compliant buses. The funding is available for vehicles, including minibuses and coaches, operating on a registered bus service within Greater Manchester. This includes cross-boundary services operating within the GM CAZ boundary.

The report also set out:

- The near-term impacts of COVID-19 government restrictions on movement on air quality, how air quality was legally monitored, and how the Government has directed GM (and other areas) under UK law to address exceedance of the Annual Average standard for NO₂ which is set at 40 ug/m³.
- Following the conclusion of the consultation, both GM CAP and MLS consultation responses were being analysed and reported on by an independent research agency. GM authorities would fully consider all of the information and evidence gathered during the consultation, to develop an understanding of the consequences COVID-19 has had on vehicle owners and trades which would be directly affected by the GM CAP and MLS.
- The work TfGM was undertaking on behalf of the ten Greater Manchester Authorities in the preparatory implementation and contract arrangements required to deliver the CAZ and other GM CAP measures. Preparatory work was required in order to maintain delivery momentum in line with the funding arrangements agreed with JAQU, for example in relation to automatic number plate recognition (ANPR) cameras, back office systems and service providers.
- The consultation approach, engagement activity, additional research undertaken and the number of responses to both the GM CAP and MLS consultations.
- The governance approach to both GM CAP and MLS, with the GM CAP final plan to be brought forward for decision makers as soon as was reasonably practicable and no later than summer 2021, and the outputs of the MLS to be reported alongside the GM CAP at the same time.

Due to the dynamic context of COVID-19 and national and regional/local lockdowns, progress on the development of the final plan would be provided by the Green City Region Lead, as required at GMCA meetings.

Options/alternatives considered

Option 1 – Approve the recommendations

Option 2 – Not to approve the recommendations

RESOLVED – That:

1. The progress of Greater Manchester Clean Air Plan be noted.

2. The next steps for the development of the Clean Air Plan and Minimum Licensing Standards, listed at Section 12 of the report be noted.
3. The distribution of Bus Retrofit funding commenced in December 2020 be noted.
4. The decision of Government ministers to consider extending Greater Manchester's Clean Air Zone (CAZ) charges to the sections of the A628/A57 which formed part of the Strategic Road Network, within the proposed CAZ boundary, subject to the outcomes of an assessment, which was expected to be completed by early 2021 be noted.
5. The GM Clean Air Plan was required to take action tackle nitrogen dioxide exceedances until compliance with the legal limits has been demonstrated and that the nearer term influence of COVID-19 on air quality was not expected to lead to sufficiently long term reductions in pollution such that the exceedances of the legal limits of nitrogen dioxide would not occur without implementing a Clean Air Zone;
6. The GM CAP final plan would be brought forward for decision makers as soon as was reasonably practicable and no later than summer 2021;
7. The outputs of the MLS would be reported alongside the GM CAP as soon as was reasonably practicable and no later than summer 2021.
8. The establishment of joint committees for the purposes as set out in this report at paragraph 9.5 and the terms of reference, as set out in Appendix 6 of the report be agreed.
9. The Cabinet Member, Neighbourhoods and Culture, Cllr B Brownridge, be appointed to sit on both committees for purposes as set out in this report at paragraph 9.5 with specific terms of reference, as set out in Appendix 6 of the report.
10. The Deputy Cabinet Member for Neighbourhoods and Culture be appointed Cllr A Ur-Rehman, as substitute for both committees for purpose as set out in this report at paragraph at 9.5 with specific terms of reference, as set out at Appendix 6.
11. Oldham Council agrees to enter into a collaboration agreement with the other 9 GM local authorities and GMCA/TfGM to clarify the rights, responsibilities and obligations of the authorities in relation to those contracts set out in Appendix 2 that are required to maintain delivery momentum in line with JAQU funding agreements.
12. A delegation to the Deputy Chief Executive and Cabinet Member, Neighbourhoods and Culture to agree the final form of the collaboration agreement and to approve the submission of supplementary information to the Government's Joint Air Quality Unit (JAQU) be agreed.
13. A delegation to Deputy Chief Executive and Cabinet Member, Neighbourhoods and Culture to award the contracts set out in Appendix 2 (subject to government funding) that were required to implement a charging

Clean Air Zone in Spring 2022 to ensure the achievement of Nitrogen Dioxide compliance in the shortest possible time and by 2024 at the latest as required by the Ministerial Direction be agreed.

7

COUNCIL PERFORMANCE REPORT DECEMBER 2020

The Cabinet gave consideration to a report of the Head of Strategy and Performance which provided a review of Council performance to December 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. It was reported that 70 per cent of Performance targets had been met, days lost due to sickness had fallen and the level of council spend had increased. A number of measures have been suspended due to Covid-19 and were being monitored only. Underperformance would be addressed at Directorate level within each portfolio where required.

Options/Alternatives considered:

To note the Council performance December 2020.

RESOLVED – That:

1. The areas of good performance detailed within the Council Performance Report December 2020 be noted.
2. The improvement plans for any areas of under performance within the report be agreed.

8

OLDHAM COMMUNITY LEISURE - CONTRACT

Consideration was given to a report of the Strategic Director, Communities and reform which presented options for the future of the Council Leisure Contract.

Cabinet approved the recommendation to appoint Oldham Community Leisure (OCL) in December 2012 to operate and manage the Council's leisure facilities. The contract became operational in April 2013. The current contract, without the 5-year optional extension, was due to end on 31st March 2023. Under normal circumstances, pre Covid 19, the Leisure contract was performing well. The level of subsidy provided by the Council was low in comparison to other GM authorities and many nationally. The outcome and outputs stipulated in the contract were also being met. In addition, memberships were high, the external inspections of the centres were all very good or excellent, and customer feedback was also good. Overall financial performance was also positive.

The Covid-19 situation had presented a number of significant issues to all Leisure providers across the country, not just OCL, and sport generally due to the two forced closures and a restriction on activity in our Leisure Centres when they have been open. In addition, strict guidance on all team sport activity and cancellations of all National Governing Body of sport has further impacted, resulting in cancellation of block bookings, a reduction in the use of facilities and an impact on income.

The Leisure contract extension, which was a 10 plus 5 years, was due for consideration this next financial year. Initial discussion had already taken place prior to Covid to look at extending this but with some changes to the contract and

additional social value activity and measures added. If an additional 5-year extension was agreed the contract would finish at the end of March 2028.

During the lockdowns and through the pandemic OCL, as a social enterprise, had been a key partner in the Oldham community response to support our most vulnerable residents and have repeatedly demonstrated their commitment to be a provider that delivers social value. This included offering Oldham Sports Centre as a venue to operate the foodbank from and a mass testing site with staff to support this.

Ongoing conversations had taken place with OCL to understand the financial impact of Covid 19 and several mitigations have been put in place to reduce the running costs. The Council would need to financially support OCL's recovery into 2021/2022. OCL have also proposed several mitigations to reduce the expenditure during the next period. Further detail is included in Part B of the Cabinet report.

The Government had confirmed that £100 million would be made available to support public leisure facilities during this financial year. The period is from December 2020 to the end of March 2021. Local authorities would be able to bid for money from the £100m fund. Along with already agreed support given this will ease the financial ask on the Local Authority and ensure OCL are financially stable until the year end.

Oldham had been successful in a bid of £530k. In addition, national discussions are also taking place with further support for next financial year and early indication is this will be a national figure of £200m to £300m which again will be a bid process but also linked to deprivation and inactivity levels and subsequently again reduce the ask financially from the Local Authority.

Option/alternatives considered – To be considered at Item 15 of the agenda.

REOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 15 of the agenda before making a decision.

9

APPROVAL TO AWARD THE LIQUID FUEL CONTRACT

Consideration was given to a report of the Deputy Chief Executive People and Place which sought approval to utilise the Yorkshire Purchasing Organisation (YPO) framework for the supply of liquid fuels for use in the Council's fleet.

The Council required the supply of liquid fuel on site to ensure the vehicle fleet are fully operational. YPO ran a mini competition of behalf of AGMA (Association of Greater Manchester Authorities) obtaining continuity of supply and value for money.

The current contract was supplied by Certas Energy. The procurement for this contract whilst driven by AGMA was undertaken by YPO (Yorkshire Purchasing Organisation) using a framework of their own establishment.

Liquid Fuel was primarily used by the departments located at Moorhey St with use also by other departments and some schools. Fleet Management stores bunkered fuels on site at

Moorhey Street, (Max levels: Diesel – 60,000 litres, Petrol – 13,000 litres and red diesel – 8,000 litres). Fuel was dispensed by onsite pumps which drivers could withdraw by use of a driver and vehicle key fob.

The YPO Liquid Fuel framework had ceased however a re-procurement was undertaken to re-establish and as before an exercise had been carried out for the AGMA authorities. This framework commenced on 22nd November 2019 for 2 years with an optional additional 2-year extension; the intention was that the Council would contract with the rank 1 supplier throughout the duration of the framework agreement. Standard Oil Fuels Ltd were currently rank 1 supplier and the AGMA authorities had made a decision to appoint the recommended supplier with the intention that each authority would now complete individual call off agreements.

The call off agreement with Standard Oil Fuels Ltd WAS in place until 21st November 2021 after which YPO would run a further mini competition for a call off period of 2 years (ending 21st November 2023) which may change the rank 1 supplier.

Options/alternatives considered

Option 1:

- To approve the use of the YPO framework to purchase liquid fuels from the rank 1 supplier as a result of the mini competitions.
- Complete call off contract with the current rank 1 supplier Standard Fuel Oils Ltd and take advantage of the buying power and savings detailed in this report.
- Following the second mini competition for the call off period 22nd November 2021 until 21st November 2023 contract with the rank 1 supplier.

Option 2 - To not approve the use of the YPO framework and the purchase of fuels from the rank 1 supplier in both this call off and the second thus not taking advantage of the buying power and savings. Also due to the spend associated an alternative procurement process would need to be completed which would not guarantee any savings.

RESOLVED – That the purchase of liquid fuels using the Yorkshire Purchasing Organisation framework for the Supply of Liquid Fuels be approved. The Council would contract with the rank 1 supplier as per the outcome from the mini competition process.

LIABILITY INSURANCE TENDER

Consideration was given to a report of the Director of Finance which provided an overview of the recent tendering exercise for the Council, Unity Partnership and Miocare's ongoing liability insurance. Following the end of the long-term agreement for current insurances, a tender exercise was carried out for

insurance and it is necessary to consider the insurance position going forward for the next five years.

The insurances for the Council, Miocare and Unity Partnership were currently tendered in two parts:

- Liability insurance which covered the Council's legal liabilities including employers and public liability insurance. Examples of these are highway tripping claims and employee accidents. These policies were appointed via a tender process in July 2016, these policy long term agreements expire on the 31 March 2021.
- Property insurance which provides cover for the Council's assets for fire, lightning, explosion, aircraft, riot, storm and flood, and motor insurance. These policies were last tendered in 2019 and are subject to a Long Term Agreement with insurers until March 2024.

The insurance market for Local Authorities traditionally had been dominated by three providers. Two new insurance providers entered the public sector market over the past few years. A further insurer remains an interested party for property and liability risks but currently has very limited public sector clients.

The first quarter of 2020 saw the tenth consecutive quarter of price increases across the insurance market. The major price increases were around property, financial and professional lines, with the largest being in the Directors' and Officers' rates. Covid-19 has meant changes to prices, cover and risks across the public sector.

Insurers were facing a double hit from coronavirus. Claims were increasing and there had also been a hit to reserves from volatile financial markets. The Financial Conduct Authority (FCA) brought a case against eight insurers in June 2020 to clarify whether 21 policy wordings, affecting potentially 700 types of policies, 60 insurers, 370,000 policyholders and billions in insurance claims, covered disruption and Government-ordered closures to curb the virus. The decision which was largely in the policy holders favour, had been appealed and the judgement was received in January, again in the policyholders' favour. This decision affected insurance pricing.

There had been blanket exclusions put in place by insurers in relation to pandemic cover, with the adult care sector being one of the worst impacted. Some areas are having insurance premiums quadrupled and exclusions put in place in relation to coronavirus/pandemic cover.

In relation to risk exposure for insurers, existing insurance policies never anticipated that organisations would find themselves having to transform their operations to such an extent, and, as a result, have not respond as expected. An example of this is the redeployment of staff, where many employees who would normally be desk-based were stepping up to help operational roles. The risks associated with an employee working in an office are markedly different to those of someone providing support for lateral flow tests or marshalling immunisation centres.

For this tender the Council used the Yorkshire Purchasing Organisation Insurance Services Dynamic Purchasing System which allowed the Council flexibility, legality, access to pre-qualified suppliers, and the benefits of aggregation of spend. The tender was carried out with the assistance of Gallagher's, the Council's brokers, and the Council Procurement Team. There was now far more scrutiny of individual exposures and insurers were being more selective and discriminate more against poor risks. The Council conducted the tender under the framework agreement and invited all insurers on the framework to tender. The criteria are weighted 50% on service standards and cover and 50% on price.

Four suppliers on the framework confirmed that they were able to meet the criteria listed in the tender documentation and submitted proposals to the Council.

An analysis of pricing and quality was carried out by an evaluation team made up of the Insurance Team, Procurement Section and Gallagher's. Quotes were obtained on the basis of a three-year deal with an option to extend for a further two years, and a straight five year long term agreement. Most insurers provided prices on a five-year long term. Four insurers quoted.

Details in relation to the bidders are provided in the private version of the report due to reasons of commercial confidentiality. However, the evaluation scores for two bidders (A) and (B) were higher and therefore subject to detailed consideration.

Options/Alternatives

Option 1 - To award the contract to Bidder A

Option 2 - To award the contract to Bidder B.

Option 3 - To not award the contract. This option would leave the Council with no formal insurance in place. The Council would then need to self-insure all areas of insurance going forward from Council funds.

RESOLVED – That the Cabinet would consider the commercially sensitive information detailed at Item 16 of the agenda before making a decision.

11

FLEET FACTORS LTD TO MANAGE THE STORES FUNCTION FOR FLEET MANAGEMENT

Consideration was given to a report of the Deputy Chief Executive, People and Place which sought approval to award a contract to manage the stores function for Fleet Management. A re-procurement was undertaken via the Yorkshire Procurement Organisation Fleet Managed Services framework (921) as the current contract with Fleet Factors had expired. After evaluation Fleet Factors met all the criteria of the tender competition and Fleet Management were looking to award the contract to Fleet Factors for the next 2 years with an option to extend for a further 2 years.

The main vehicle maintenance workshop was situated on Moorhey Street, Oldham. The site was a base for a number of frontline services including Fleet, Waste Management and Highways. There was a dedicated Stores facility based within the

vehicle workshop at Moorhey Street depot, containing Impress stock, supplied and managed by an outside provider, (Currently Fleet Factors Ltd). Oldham's Fleet consists of over 100 vehicles and around 500 items of plant equipment.

Options/alternatives considered

Option 1: To approve the contract with Fleet Factors Ltd Extending the current contract that is in place and keeping the Fleet Management stores in a compliant position.

Option 2: To not approve the contract award to Fleet Factors Ltd and be without a stores provider for Moorhey Street Depot. This would either place additional pressure and workload on staff to manage the day to day operations of the stores or put the Council in a non-compliant position with Fleet Factors Ltd continuing to provide the service on an informal basis.

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 17 of the report before making a decision.

12

GREEN HOMES GRANT LOCAL AUTHORITY DELIVERY SCHEME PHASE 1B

Consideration was given to a report of the Deputy Chief Executive, People and Place which sought approval to accept Grant Funding Agreements with the Greater Manchester Combined Authority and to appoint contractors to deliver the Greater Manchester Green Homes Grant Local Authority Delivery Scheme.

In July 2020, the Chancellor announced £2 billion of support through the Green Homes Grant (GHG) to save households money; cut carbon; and create green jobs. The GHG was comprised of up to £1.5 billion of support through energy efficiency vouchers and up to £500m of support allocated to English Local Authority delivery partners, through the Local Authority Delivery (LAD) scheme.

On 4 August 2020, the Department of Business, Energy and Industrial Strategy (BEIS) announced the GHG LAD competition for the first £200m phase of funding.

The primary purpose of the GHG LAD scheme is to raise the energy efficiency rating of low income and low EPC rated homes (those in EPC band E, F or G).

BEIS expected the GHG LAD competition to result in the following outcomes:

- Tackle fuel poverty by increasing low-income homes energy efficiency rating while reducing their energy bills.
- Support clean growth and promoting global action to tackle climate change.
- Support economic resilience and a green recovery in response to the economic impacts of COVID-19, creating thousands of jobs.
- Use learnings from the delivery experience to inform the development and design of further energy efficiency and heat schemes.

The GMCA approached Oldham Council to develop a Greater Manchester (GM) GHG LAD Scheme bid, as Oldham is the only Council within GM that has an OJEU procured Framework Agreement for energy efficiency measures (through its Warm Homes Oldham scheme).

On 28 August 2020, the GMCA submitted a Phase 1A bid for £4.7m to mainly retrofit External Wall Insulation and Air Source Heat Pumps in homes of all tenures occupied by residents with a gross annual household income of less than £30,000 using local Trustmark registered contractors.

Full details of the Phase 1A bid were reported to the GMCA meeting held on 25 September 2020.

On 1 October 2020, BEIS confirmed that the GMCA's application was successful and awarded the bid amount in full. However, BEIS was only able to award £76m from the £200m available nationally. Therefore, it announced that the remaining £124m would be awarded through a Phase 1B competition, which was open to existing and new applicants.

On 3 December 2020, the GMCA submitted a Phase 1B bid for £5.6m to mainly retrofit External Wall Insulation, Air Source Heat Pumps and Solar PV Systems in homes of all tenures occupied by residents with a gross annual household income of less than £30,000 using local Trustmark registered contractors.

Full details of the Phase 1B bid were reported to the GMCA meeting held on 18 December 2020.

On 27 January 2021, BEIS confirmed that the GMCA's application was successful and awarded the bid amount in full. The GMCA had issued the following Grant Funding Agreements to Oldham Council:

1	Private Sector Housing
2	Social Housing

Most of the Private Sector Housing funding is to be paid to EON Energy Solutions Ltd to deliver energy efficiency measures to homes across Greater Manchester.

Some of the Private Sector Housing funding was to be retained by Oldham Council to cover the project management costs incurred by the Housing, Warm Homes Oldham, Procurement, Legal and Finance teams.

Some of the Social Housing funding was to be paid to Inspiral Oldham Ltd to part fund External Wall Insulation to Crosswall Construction Council homes and Cavity Wall Insulation to Traditional Construction Council homes on the Primrose Bank Estate. The shortfall is to be met from the Housing Revenue Account Capital Programme.

The balance of the Social Housing funding was to be paid to Oldham Retirement Housing Partnership Ltd to part fund Solar PV Systems to Council bungalows. The shortfall is to be met from the Housing Revenue Account Capital Programme.

These measures would:

- Improve energy efficiency and reduce fuel poverty, which will help to prevent illnesses linked to cold conditions.

- Contribute towards meeting the Council's target for the borough to be carbon neutral by 2030, which will help to tackle climate change
- Provide work for local contractors and apprenticeships or training for new green jobs, which will help with the economic recovery from the impact of COVID-19.

Option/alternatives considered

Option 1 - To accept the Grant Funding Agreements issued by the GMCA detailed in 2.1 above.

- To issue a Call-off Order and enter into a contract with E.ON Energy Solutions Ltd under the Warm Homes Oldham Framework Agreement to deliver energy efficiency measures to private sector homes across Greater Manchester, as detailed in the GM GHG LAD Scheme Phase 1B bid.
- To issue an Authority Notice of Change to Inspiral Oldham Ltd under the Housing PFI Project Agreement to install External Wall Insulation to Crosswall Construction Council homes and Cavity Wall Insulation to Traditional Construction Council homes on the Primrose Bank Estate.
- To issue a Subsequent Phase Notice(s) to Oldham Retirement Housing Partnership Ltd under the Deed of Variation (Number 2) to the Housing PFI Project Agreement to install Solar PV Systems to Council bungalows.

To approve the use of funds from the Housing Revenue Account Capital Programme to meet the shortfall in grant funding for 3.13 and 3.14 above.

Option 2 -To reject the Grant Funding Agreements issued by the GMCA detailed in 2.1 above.

- The energy efficiency measures would not be delivered to private sector homes across Greater Manchester; the External Wall Insulation would not be installed to Crosswall Construction Council homes; the Cavity Wall Insulation would not be installed to Traditional Construction Council homes; and the Solar PV Systems would not be installed to Council bungalows.
- The grant funding would have to be returned to BEIS with the consequential reputational damage that this would cause to Oldham Council and the GMCA.

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 18 of the agenda before making a decision.

13

NEW SADDLEWORTH SCHOOL - AWARD OF CONTRACT FOR MAIN HIGHWAYS WORK

Consideration was to a report of the Deputy Chief Executive, People and Place, which sought approval to award the contract for the Main Highways Works linked to the construction of the new Saddleworth School.

In accordance with the planning consent for access and wider highway works at Diggle, required in connection with the new Saddleworth School a tender exercise for these works had concluded. The procurement process had been undertaken and completed in accordance with the Council's Contract Procedure Rules and Public Contract Regulations 2015. The route to market was the Council's Lot 20 of the Construction and Highways Works and Services Framework via The Chest Portal. It was reported that a procurement process has been undertaken and completed in accordance with the Council's Contract Procedure Rules and Public Contract Regulations 2015. The route to market was the Council's Lot 20 of the Construction and Highways Works and Services Framework via The Chest Portal.

A total of 5 tenders were returned and evaluated on a cost, quality and Social value basis, with the weighting for Technical and quality 40%, Social Value 10% and cost 50%.

	Rank
Bid 1	Rank 5
Bid 2	Rank 1
Bid 3	Rank 2
Bid 4	Rank 3
Bid 5	Rank 4

Options/alternatives considered

Option 1 – Not to award the contract as recommended. The risk is the delay to the wider highway works which are required to be completed by the time the new school is occupied.

Option 2 - Is to award the contract as recommended in this report, which has been tendered in accordance with the Council's Contract Procedure Rules and Public Contract Regulations 2015. This will enable the wider highway works to be completed by the time the new school is occupied.

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 19 of the agenda before making a decision.

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 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.

15

OLDHAM COMMUNITY LEISURE - CONTRACT

Consideration was given to the commercially sensitive information in relation to Item 8 - Oldham Community Leisure – Contract.

RESOLVED – That:

1. An agreement in principle to extend the current contract with OCL, the current provider, with some changes to the term of this, as was allowed under the current terms of

the contract subject to a report being submitted to a future Cabinet to agree the extension, revisions and to include a social value outcomes framework.

2. The Council would continue to financially support the existing leisure provider as required within the terms of the current contract, in order to ensure its survival for the 2020/21 and 2021/2022 financial year.

16 **LIABILITY INSURANCE TENDER**

Consideration was given to the commercially sensitive information in relation to Item 10 – Liability Insurance Tender.

RESOLVED – That:

1. Approved Bidder A, under the liability tender arrangements for the Council, Unity Partnership and Miocare be agreed.
2. The renewals for all other insurances would be undertaken with current insurers in line with the long term agreements be noted.

17 **FLEET FACTORS LTD TO MANAGE THE STORES FUNCTION FOR FLEET MANAGEMENT**

Consideration was given to the commercially sensitive information in relation to Item 11- Fleet Factors LTD to manage the stores function for Fleet Management.

RESOLVED – That the award of contract to Fleet Factors Ltd be approved.

18 **GREEN HOMES GRANT LOCAL AUTHORITY DELIVERY SCHEME PHASE 1B**

Consideration was given to the commercially sensitive information in relation to Item 12 - Green Homes Grant Local Authority Delivery Scheme Phase 1B.

RESOLVED – That recommendations 1-5 contained within the report be approved.

19 **NEW SADDLEWORTH SCHOOL - AWARD OF CONTRACT FOR MAIN HIGHWAYS WORK**

Consideration was given to the commercially information in relation to Item 13 - New Saddleworth School - Award of Contract for Main Highways Work.

RESOLVED – That:

1. The winning tender submission named in the report be awarded the Main Highway Works Contract.
2. Authority be delegated to the Director of Economy to develop, consult, procure and arrange for the execution by the Director of Legal Services of any relevant contracts and incidental and ancillary documentation in accordance with the award for the Main Highway Works Contract.

The meeting started at 6.00pm and finished at 6.27pm



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

Also in Attendance: Anne Ryans – Director of Finance

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 **DRAFT MINUTES OF THE ADMINISTRATION BUDGET
PERFORMANCE AND VALUE FOR MONEY SELECT
COMMITTEE HELD ON 28TH JANUARY 2021**

Members considered the draft minutes of the Performance and Value for Money Select Committee held on the 28th January 2021.

It was reported that the Select Committee recommended to Council all of the budget reduction proposals included in the report to a value of £8.920m for approval.

RESOLVED – That the deliberations and comments of the Performance and Value for Money Select Committee held on the 28th January 2021 be noted.

6 **DRAFT MINUTES OF THE OPPOSITION BUDGET
PERFORMANCE AND VALUE FOR MONEY SELECT
COMMITTEE HELD ON 9TH FEBRUARY 2021**

RESOLVED – That the deliberations and comments of the Performance and Value for Money Select Committee held on 9th February 2021 be noted.

7 **REVENUE MONITOR AND CAPITAL INVESTMENT
PROGRAMME 2020/21 MONTH 8 – NOVEMBER 2020**

The Cabinet gave consideration to a report of the Director of Finance which provided them with an update on the Council's 2020/21 forecast revenue budget position and the financial position of the capital programme as at 30 November 2020 (Month 8), together with the revised capital programme 2020/25. In relation to the Revenue position, the Cabinet was informed that the current forecast outturn position for 2020/21 was a projected deficit variance of £8.330m after allowing for approved and pending transfers to and from reserves.

The position also included additional costs and pressures that have been identified by the Authority in this financial year as a

direct result of the Governments ongoing arrangements to mitigate the spread of COVID-19 which commenced on 23 March 2020. The additional pressures included forecasts of both income shortfalls and additional expenditure that have impacted on the Authority's budgets as a result of the pandemic.

The pandemic has affected nearly all aspects of Council service delivery; however, the most significant areas of concern are the People and Place, Children's Services and Community Health & Adult Social Care Portfolios. Action was being taken and will continue for the remainder of the financial year to address variances and take mitigating action as detailed in the report. The Cabinet noted the overall corporate position was, being offset by the application of the £24.902m unringfenced Government COVID related grant funding from the Ministry for Housing, Communities and Local Government (MHCLG), of which £7.641m was received in 2019/20 and held in a specific Earmarked Reserve to underpin the 2020/21 budget. There had been actual, in-year, receipts of £16.337m of COVID Emergency Funding, including £1.282m for the first claim for loss of income in relation to sales, fees and charges under the income compensation scheme (SFC). In addition, provision was made for the second SFC claim, calculated as £0.924m for the period August to November, which has been submitted to the MHCLG but not yet formally agreed for payment. The overall pressure was further offset by a refund from the GMCA for waste disposal contributions. In Appendix 1 to the report, both the full Government grant and the refund were presented as single sums so that it highlighted the level of variation across all Council budgets, given that there was still insufficient resource to fully offset the adverse variance. However, this summary report presents the position after applying the Government grant and the refund across Portfolio areas.

Section 4 of the report advised Cabinet of the grants that the Council had received. There have been a number of developments particularly in relation to support for businesses and to provide additional support for the Council. Further grant funding and external contributions were expected, as a result, both the overall financial position and the application of Government grant would therefore change during the remainder of the financial year. As this financial monitoring report reflected the financial position at Month 8, it could be regarded as an indicator of the potential year end position, however, management action had been initiated across all service areas to review and challenge planned expenditure and to maximise income. As previously mentioned, there was an expectation of increased grant funding and external contributions which, based on current projections should bring the Council to a balanced position by the year end. However, it was important to note the worsening position in relation to the course of the pandemic, potentially made more challenging firstly by the Authority, along with rest of Greater Manchester being placed under Tier 4 Stay at Home restrictions from 31 December 2020 and then the full national lockdown effective from 5 January 2021. Financial pressures on the Council could increase even further and therefore, much therefore depends on the future direction of the

pandemic, Government action and the response required from the Council.

Information on the Month 8 position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund was also outlined in the report. There were no significant issues of concern in relation to the HRA and Collection Fund, however the Collection Fund, was forecasting an in-year, deficit of £7.110m directly as a result of COVID-19. This would have a budgetary impact in 2021/22. The DSG continued to be an area which was facing a financial challenge with a revised, projected deficit of £4.559m at the end of the current financial year. Action was being taken with the aim of reducing the cumulative deficit and bringing the DSG towards a balanced position

With regard to the Capital position, the revised capital programme budget for 2020/21 was £81.013m at the close of Month 8, a net decrease of £66.619m from the original budget of £147.632m. Actual expenditure to 30 November 2020 was £50.566m (62.42% of the forecast outturn). It was probable that the forecast position would continue to change before the year end with additional re-profiling into future years. The Month 8 Revenue Monitor and the Capital Investment Programme 2020/21 report was presented to the Overview and Scrutiny Performance and Value for Money Select Committee on 28 January 2021 to accompany the suite of 2021/22 budget reports. The Select Committee was content to note the report and commend it to Cabinet for approval.

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 detailed within the report.

Option 3 – Not to approve any of the forecasts and changes detailed within the report.

RESOLVED – That:

1. The forecast revenue outturn for 2020/21 at Month 8 being a £8.330m adverse variance having regard to the action being taken to manage expenditure be approved.
2. The forecast positions for the Dedicated Schools Grant, Housing Revenue Account and Collection Fund be approved.
3. The use of reserves as detailed in Appendix 1 to Annex 1 of the report be approved.
4. The revised capital programme for 2020/21 to 2024/25 at Month 8 as presented in Annex 2 of the report be approved.

8

COUNCIL TAX REDUCTION SCHEME 2021/22

Consideration was given to a report of the Director of Finance which set out the proposed Council Tax Reduction Scheme for 2021/22.

Members were informed that there was a requirement to have a Council Tax Reduction (CTR) scheme to support residents who qualified for assistance in paying Council Tax. The Local Government Finance Act 2012 placed a requirement that each

year a billing authority must consider whether to revise its Council Tax Reduction scheme or to replace it with another scheme. Any change to the 2021/22 scheme must be agreed by full Council in line with budget setting and no later than 10 March 2021. For Oldham, this required the Council to agree a revised 2020/21 scheme at the 4th March 2021 Council meeting. Any proposed change must be subject to prior consultation with the major preceptors and the public.

Since 2015/16 the Council's CTR scheme had limited CTR to a maximum of 85% of Council Tax for a Band A property and removed second adult rebate for those of working age.

Following a public consultation exercise in Autumn 2018, the scheme was amended from April 2019 to introduce a range of changes to the scheme largely aimed at supporting those CTR claimants who received Universal Credit (UC). These included the application of some earnings disregards and treatment of information received from the Department for Work and Pensions (DWP) about UC as a claim for CTR.

There were no changes to the CTR scheme for 2020/21 and none are proposed for 2021/22.

Options/Alternatives considered:

- Option 1 - Maintain the present level of support i.e. limiting the level of support at 85% of the Council Tax for a Band A property.
- Option 2 - Reducing the maximum support to 82.5%

RESOLVED – That:

1. The Cabinet approved and commended to the Council the proposed Council Tax Reduction Scheme for 2021/22 which was unchanged from the 2020/21 scheme.
2. The financial position during 2021/22 would be reviewed to assess whether resources could be found to support additional Exceptional Hardship Payments to support those residents in most need in 2021/22 and to alleviate the impact of the loss of COVID Hardship Fund grant awards.

9

REVENUE BUDGET 2021/22 AND MEDIUM TERM FINANCIAL STRATEGY 2021/22 TO 2023/24

Consideration was given to a report of the Director of Finance which provided the Cabinet with the forecast budget reduction requirement and the budget proposals for 2021/22 together with forecast budget reduction requirement estimates for the period 2022/23 to 2023/24, having regard to the Provisional Local Government Finance Settlement published on 17 December 2020 and associated announcements and the subsequent Final Local Government Settlement approved on 10 February 2021 and the February 2021: COVID-19 Funding for Local Government in 2021 to 2022 Policy Paper.

The report set out proposals for the Council's Revenue Budget for 2021/22 and Medium Term Financial Strategy for 2021/22 to 2023/24. The report advised Members of the key financial challenges and issues which would be faced by the Council over the forecast period and set out the Administration's revenue budget proposals for 2021/22 together with updated budget

reduction requirement estimates for the period 2022/23 to 2023/24.

Members noted the purpose and scope of the Medium Term Financial Strategy and how it had a vital role to play in enabling the translation of the Council's ambition and priorities into action. They were advised of the national policy landscape and economic context in which the Council was setting its revenue budget for 2021/22 and Medium Term Financial Strategy to 2023/24.

The report highlighted policy announcements and implications which arose from the Government's 2020 Spending Round published on 25 November 2020, Provisional Local Government Finance Settlement (LGFS) published on 17 December 2020 together with the complementary COVID Funding for Local Government in 2021/22 Consultative Policy Paper, Final Local Government Finance Settlement approved on 10 February 2021; and February 2021: COVID-19 Funding for Local Government in 2021 to 2022 Policy Paper.

The LGFS confirmed referendum limits for a general purpose Council Tax increase and the Government would permit rises of up to 2% per annum for 2021/22 without the need to hold a referendum. The Government also confirmed the continued ability to charge an Adult Social Care Precept allowing a combined increase of up to 3% in Council Tax across 2021/22 and 2022/23 (ringfenced for use for Adult Social Care). The Council Tax referendum limits for 2021/22 applicable to the Council therefore allow an overall increase of 4.99% without requiring a referendum.

Members were reminded that the Council Tax policy approved within the 2020/21 budget was that for 2020/21 Council Tax would revert to its previous position. The Council would therefore increase Council Tax by 2% for the Adult Social Care Precept (ASCP) and 1.99% for general purposes; an overall increase of 3.99%. The referendum limits for 2021/22 as advised above would permit this approach. However, mindful of the financial position of the Authority but also the impact of a further increase in Council Tax on the citizens of Oldham, a revision to Council Tax policy was therefore proposed. Whilst the 2% increase in relation to the ASCP would continue, Council Tax for general purposes will increase by 0.99% rather than 1.99%. In overall terms the Oldham Council Tax would increase by 2.99%. The Council proposed to use the flexibility allowed to defer a further 1% in the ASCP to 2022/23. This is of course subject to confirmation at Budget Council on 4 March 2021. The Government proposed not to set Council Tax referendum principles for Mayoral Combined Authorities in 2021/22 but had set referendum principles for Police and Crime Commissioners (including the GM Mayor) capped at a value of £15. The Mayoral General precept (including Fire Services) had been kept at 2020/21 levels – with a Band D Council Tax Charge of £90.95. The Mayoral Police and Crime Commissioner Precept had increased by £10, giving a Band D Council Tax charge of £218.30

The Cabinet was informed that the report also advised of the proposal to leave the Council Tax Reduction Scheme for 2021/22 unchanged from 2020/21. However, during 2020/21,

working age Council Tax reduction recipients have benefitted from support of £150 from a Government Hardship fund. This scheme was not continuing in 2021/22 and it was recommended that the Council reviewed its financial position during 2021/22 to determine if it is able to provide any additional hardship relief. The starting point for preparing the 2021/22 revenue budget estimates was the Month 8 2020/21 revenue budget forecast outturn position and summarised in Section 8. It highlighted a current adverse projected variance for 2020/21 of £8.330m (including COVID pressures). A reduction in this overspend position was anticipated as a result of further funding being provided by Central Government and contributions from partners alongside management actions. However, it was important to note that if there was any remaining overspending at the end of 2020/21 then it would need to be funded by the use of reserves. Section 9 of the report detailed key budget adjustments and expenditure pressures underpinning the forecasts that provided the backdrop for the Council's Medium Term Financial Strategy including the mid-year adjustment to estimates from a budget reduction requirement of £23.251m to £29.940m (rounded to £30.000m). The major elements of this adjustment were addressing budget reduction proposals for 2020/21 (some approved in the budget for 2019/20) that could not be achieved (£2.089m), reduced treasury management income of £6.600m and an assumption that Flexible Use of Capital receipts at a value of £2.000m would support the budget. Since the mid-year budget review, there had been further changes to the estimates. Key expenditure adjustments following the mid-year review included:

- £0.441m for additional treasury management and education services pressures.
- £7.737m for pressures arising from COVID fully financed by Government grant.
- A net reduction of pressures of £2.777m due to:
 - a revision of estimates for the cost of financing capital expenditure (Investment Fund) at a reduction of £1.650m.
 - reducing the estimate for pay inflation (£1.017m).
 - releasing unallocated Development Fund resources of £0.825m but in effect using it to finance pressures relating to a contract with a third party supplier (£0.500m) and costs no longer chargeable to the Dedicated Schools Grant (£0.265m).
 - the release of £0.050m of resources that were previously allocated to support additional Coroners Service pressures identified through the 2020/21 Revenue Monitoring Process.
- £0.166m reduction in spending relating to a revision to assumed passported Adult Social Care precept and Parish Precepts.
- A net reduction in levies of £0.393m.

In relation to income, the report highlighted:

- A reduction in Central Government Business Rates Top Up Grant and Grants in Lieu of Business Rates at a combined value of £1.087m.
- £13.202m of increased Unringfenced Grant Funding, primarily £7.737m of COVID Grant, £3.183m Local Council Tax Support Grant and an increase of £1.993m for the Social Care Support Grant.
- A reduction in Locally Generated Retained Business Rates income of £0.364m.
- A reduction in the Council Tax Tax base (due to the impact of the increase in claimants of Council Tax Reduction resulting in a total reduction in Council Tax income of £2.597m from that expected of which £0.175m relates to ASCP that cannot be passported to the service

Section 9 also advised of a Collection Fund deficit that would be charged to the General Fund of £25.809m. Of this sum £0.353m related to an adjusted 2020/21 balance using flexibilities allowed by Central Government. The balance was a technical adjustment required to the budget as a result of the Collection Fund deficit caused by the Government introducing Business Rate reliefs for retail, leisure, hospitality and nursery businesses after the 2020/21 budget had been set. The estimated sum (the final figures would only be confirmed at the end of the financial year) was £25.456m. Government was paying the Council grant compensation for this loss of Business Rates income through 2020/21 and this would be carried forward as a reserve. This would then offset the Collection Fund deficit but had a significant impact on the overall use of reserves.

Based on the latest estimates, the budget reduction requirement for 2021/22 has decreased from the previously reported figure of £29.940m to £27.623m, increasing to £53.079m after the technical adjustment.

Section 10 of the report detailed the Administration's budget reduction proposals. There was a total of 43 proposals expected to deliver savings of £8.920m in 2021/22 (of which one was a use of reserves), leaving recurrent budget reductions of £8.793m. In 2021/22, if approved in full, those recurrent proposals further reduced the budget reduction requirement to £44.286m for 2021/22.

Sections 11 and 12 explained the approach to balancing the 2021/22 budget. Importantly, the budget strategy of using £29.000m of reserves to support the budget over a two year period (2021/22 and 2022/23) was outlined together with the use of the opportunities provided by the ability to use Capital Receipts to support spending on transformational projects up to a value of £2.000m in 2021/22. A number of specific and corporate reserves would be used to address the balance as follows:

- £25.456m of Section 31 grant received in 2020/21 held to support the Collection Fund Deficit in 2021/22 as a result of Business Rates relief for retail, leisure, nursery and hospitality businesses (a technical adjustment);
- £0.127m as a result of budget reduction proposal REF-BR1-432;

- £1.000m of 2020/21 Earmarked Reserves created as a result of the Local Tax Income Guarantee grant; and
- £15.703m of other reserves brought forward from 2019/20.

There was also a reserve held at a value of £12.297m to support the 2022/23 budget if required. Approval of the proposals set out in this report in full by Budget Council would deliver a balanced revenue budget for 2021/22.

Other key sections in the report:

- summarised the forecast reserves and balances position supporting the Council's financial resilience;
- set out the Administration's proposals in relation to Fees and Charges; and
- detailed the Council's Pay Policy Statement (as required by sections 38 to 43 of the Localism Act 2011).

The final section of the report set out the Council's MTFS covering the period 2021/22 to 2023/24, a shorter timeframe than is usual practice given the uncertainties created by COVID and the lack of clear direction Government funding intentions for future years. It was important to note that as the Government has only provided grant funding notifications for 2021/22, the MTFS estimates for 2022/23 to 2023/24 were based on a series of assumptions and therefore must be considered indicative at this stage. This has generated significant uncertainty and hindered effective planning by the Council both financially and operationally as future Government funding intentions are difficult to assess.

This position, together with the transformational and organisational plans for change that the Council would implement to address the financial challenge were outlined in Section 17 of the report.

After having addressed the £27.623m (adjusted for the technical Business Rates issue), the budget reduction requirement for subsequent years was forecast to be £31.900 m for 2022/23 and £21.849m for 2023/24.

The MTFS highlighted the plan to deliver significant savings from 2022/23 onwards. Whilst it was anticipated that the Council will continue to rely on the use of reserves to support the revenue budget in 2022/23 at a value of £12.297m, additional budget reductions were expected to be achieved as part of the Council's transformation programme.

Given the importance of delivering budget reductions and embedding the programme of transformational change, during 2021/22, there would be a regular review of the progress of existing change programmes against the delivery milestones and financial targets.

The Revenue Budget 2021/22 and Medium Term Financial Strategy 2021/22 to 2023/24 was presented to the Overview and Scrutiny Performance and Value for Money (PVFM) Select Committee for consultation and scrutiny on 28 January 2021.

The Select Committee scrutinised the budget report and the other reports on the agenda that form a core part of the Council's strategic financial planning framework. The Select Committee was content to commend the report to Cabinet without additional comment. It is important to note that the report

and financial information within it would continue to be revised as estimates are confirmed and external funding or charging notifications are received.

Options/Alternatives considered:

Option 1 – Cabinet accepts the assumptions and resulting financial forecasts presented within the report and the budget position at Appendix 4.

Option 2 – Cabinet proposes amendments to the assumptions which would change the resulting budget gap and financial forecasts.

Option 3 – Cabinet approves and commends to Council all the budget reduction proposals included in this report to the value of £8.920m and the approach to the use of reserves and balances as well as Council Tax and Adult Social Care Precept in increases.

Option 4 - Cabinet requests that further work is undertaken on some or all of the budget proposals and the approach to reserves and balances.

RESOLVED – That the Cabinet accepted and commended to Council:

1. The policy landscape and economic context in which the Council was setting its revenue budget for 2021/22 and Medium Term Financial Strategy to 2023/24;
2. The impact of Oldham Council Policies and Strategies on the Council's budget setting process and the development of its Medium Term Financial Strategy;
3. The financial forecasts for 2021/22 to 2023/24 having regard to the Final Local Government Finance Settlement and the February 2021: COVID-19 Funding for Local Government in 2021 to 2022 Policy Paper and associated funding announcements.
4. The key issues to be addressed in continuing to respond to the financial challenges facing the Council;
5. The proposal that the Council reviews its financial position during 2021/22 to determine if it was able to provide additional Council Tax hardship relief;
6. The reaffirmation of the Council's commitment to the modified Housing Benefits scheme, a discretionary local scheme which allows the Council to disregard the value of any War Disablement Pension or War Widows Pension over and above statutory disregard limits;
7. The recurrent 2021/22 Budget Reduction Proposals at a value of £8.793m;
8. Flexible Use of Capital Receipts at a value of £2.000m
9. The proposed use of £42.286m of reserves to balance the 2021/22 budget including £0.127m for a one off budget reduction;

10. The proposed use of £12.297m of reserves to support the 2022/23 budget;
11. The approach to managing the budget during the COVID pandemic and the continuation of budget management measures introduced in 2020/21 as outlined in Paragraphs 12.6 to 12.11;
12. The proposed fees and charges schedule included at Appendix 7;
13. The draft Pay policy statement included at Appendix 11;
14. A proposed Council Tax increase of 0.99% for Oldham Council General Purposes.
15. A proposed 2.00% increase for the Adult Social Care Precept for 2021/22 and a further 1.00% increase for 2022/23.
16. The specific 2021/22 charges set out at paragraph 15.3 and Table 29 of the report and in detail at Appendix 8;
17. The proposal to draw on the Collection Fund for major preceptors of £116.241m for Borough Wide services and £98.552m for Council services;
18. The proposed net revenue budget expenditure for 2021/22 for the Council set at £253.561m;
19. Revised estimated budget reduction targets of £31.900m for 2022/23 and £21.849m for 2023/24 before any use of reserves and indicative budget proposal.

10

HOUSING REVENUE ACCOUNT ESTIMATES FOR 2021/22 TO 2025/26 AND PROPOSED OUTTURN FOR 2020/21

Consideration was given to a report of the Director of Finance which set out the Housing Revenue Account (HRA) proposed 2021/22 original budget and the forecast outturn for 2020/21. The opportunity was also taken to present the provisional strategic budgets for 2022/23 through to 2025/26.

The Cabinet noted that HRA activities were a key element of the Council's Housing Strategy (approved by Council on 10 July 2019) which aimed to provide a diverse Oldham Housing offer that was attractive and met the needs of different sections of the population at different stages of their lives.

After taking all relevant issues into account, the projected financial position for 2020/21 was estimated to be a £1.384m positive variance when compared to the original budget forecast for 2020/21 approved at the Budget Council meeting, 26 February 2020. Most of this variance was attributable to the re-profiling of HRA funded capital schemes into later years due to revisions to planned spending profiles. The balance at the end of 2020/21 was projected at £19.614m.

The financial position for 2021/22 showed an estimated HRA closing balance of £17.463m which was sufficient to meet future operational commitments and the potential financial pressures identified in the risk assessment.

The 2021/22 position had been presented after allowing for an increase in dwelling rents of 1.5%, the increase in non-dwelling rents in line with individual contracts, the freezing of all service

charges and the setting of Extra Care Housing concierge charges to fully recover costs.

Members were reminded that the Government had previously advised that PFI properties were exempt from Central Government's 1% Social Rent Reduction policy. This policy ended on 31 March 2020. Since this date, Central Government has reverted to its pre-2015 guidance for the period 2020-2025 for all properties, confirming all rents are calculated based on the Consumer Price Index (CPI) rate at September of the preceding year plus 1%. All Oldham's budget projections for the 2021/22 budget will follow the rent setting guidance of CPI plus 1%, resulting in an increase of 1.5% (CPI is taken as at September 2020).

The financial projections for the HRA over the period 2020/21 to 2025/26 showed an overall reduction in the level of balances from £19.614m at the end of 2020/21 to £3.906m at the end of 2025/26.

This was because HRA resources were used to support several major approved housing capital projects including development within the town centre and on numerous smaller sites around the borough. There is also a commitment to purchase currently empty properties owned by private sector landlords to increase the number of Council owned housing stock.

Options/Alternatives considered

In order that the Council complied with legislative requirements it must consider and approve a Housing Revenue Account budget for 201/22.

Three options with regard to rent had been assessed.

1. proposed rent increase of 1.5%
2. proposed rent increase of 1.0%
3. rents to be frozen for 2021/22.

Compared to a 1.5% increase, the loss to the HRA for 2021/22 in terms of rental income would be £0.044m at a 1.0% rent increase and £0.131m with no rent increase.

The Cabinet was advised that, although losses in income for 2021/22 could be considered manageable, it was the cumulative impact of sustained losses of income that would have a lasting and significant impact on the long-term financial strength of the HRA and potentially its ability to meet its current and future financial commitments. This was emphasised with the inflation factor built into the Unitary Charge. A proportion of the Unitary Charge expenditure currently increased by an inflation factor linked to the Retail Price Index (RPI), therefore were the Council not to introduce the proposed rent increase, or to increase rents at a level below the current proposal, it would limit the ability of the HRA to meet its future financial commitments and support the aspirations of the Council's wider Housing Strategy.

RESOLVED - That the following be approved and commended to Council:

1. Forecast HRA outturn for 2020/21 (as per Appendix A)
2. Proposed HRA budget for 2021/22 (as per Appendix B)
3. Strategic estimates for 2021/22 to 2025/26 (as per Appendix D)

4. Proposed increase to dwelling rents for all properties of 1.5%.
5. Proposed increase to non-dwelling rents as per individual contracts.
6. Proposal that service charges be unchanged.
7. Proposal to set Extra Care Housing concierge charges to fully recover actual costs

11

CAPITAL STRATEGY AND CAPITAL PROGRAMME 2021/22 TO 2025/26

Consideration was given to a report of the Director of Finance which set out the Capital Strategy for 2021/22 to 2025/26 and thereby the proposed 2021/22 capital programme, including identified capital investment priorities, together with the indicative capital programme for 2022/23 to 2025/26, having regard to the resources available over the life of the programme. The Council's Capital Strategy and Capital Programme were set over a five-year timeframe. The proposed Capital Strategy and Programme for 2021/22 to 2025/26 took the essential elements of the 2020/25 and previous years' strategies and programmes and moved them forward in the context of the financial and political environment for 2021/22.

The Strategy also included a longer-term vision, a forward look at those projects that were likely to run beyond the five-year strategy and programme period or be initiated subsequently. This covered a timeframe for the 10 years from 2026/27 to 2035/36.

Capital Strategy

The format of the Capital Strategy reflected the requirements of the latest Prudential and Treasury Management Codes issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Strategy therefore presented:

- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications for future financial sustainability

The Capital Strategy ensured that all Council Members were presented with the overall long-term capital investment policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

The Strategy incorporated the refreshed and updated elements of the Creating a Better Place Strategy, the Medium-Term Property Strategy and Housing Strategy. Following a review of the Capital Programme, as a result of the unprecedented economic circumstances due to the impact of the COVID-19 pandemic and the revised terms for PWLB borrowing, the principles established to complement the Capital Strategy as contained in the Commercial Property Investment Strategy and Fund and the Income Generation Strategy have been removed from the Capital Programme.

The Capital Strategy section (section 1) highlighted the impact of COVID-19 and the way this has shaped capital spending plans for 2021/22 and future years. During 2020/21, the COVID-19 pandemic has had a major impact on the borough, its residents and the economy. The financial year 2021/22 would

begin, at least, with a COVID-19 influence, however, it was expected, now that several vaccines were available, that normal activities will be resumed and the Councils capital spending plans which had inevitably been interrupted in 2020/21, can get back on track during 2021.

The Strategy also advised that the Council was proposing to continue the use of the flexibility provided by the Ministry of Housing, Communities and Local Government (MHCLG) to use capital receipts to fund the revenue cost of transformation. The 2021/22 revenue budget would rely on up to £2.000m of such funding from capital receipts. Annex D of the report set out the required Flexible Use of Capital Receipts Strategy which advised of the summary of planned receipts, use and savings

Capital Programme 2020/21 to 2024/25

Members were advised that the 2020/21 month 8 capital monitoring position was detailed at Item 7 of the agenda and the projections included in that report were a key determinant of the 2021/22 programme. As many schemes spanned more than one year, the anticipated level of reprofiling between years sets the underlying position. The projected outturn spending position for 2020/21 is £81.013m. The People and Place Directorate which managed all of the major regeneration projects, constituted the main area of expenditure. Grants and Other Contributions (£20.151m) followed by Prudential Borrowing provided the main source of financing (£53.553m). Actual expenditure to 30 November 2020 was £50.566m (62.24% of forecast outturn). This spending profile was in line with that in previous years, however the position would be kept under review and budgets will continue to be managed in accordance with forecasts.

Capital Programme 2021/22 to 2025/26

The Council has set out its capital programme for the period 2021/22 to 2025/26 based on the principles of the Capital Strategy. The Capital Programme and Capital Strategy have been influenced by the level of resources considered available. The level of prudential borrowing included reflected the financing available in the revenue budget, capital receipts aligned with forecasts and grant funding and other contributions were based on already notified allocations or best estimates at time of preparation. If additional resources became available, projects that met the Council's strategic capital objectives would be brought forward for approval. Due to the impact of the COVID-19 pandemic on a number of schemes, over the summer months the capital programme for 2020/21 was significantly re-phased. On 24 August 2020, Cabinet approved a revised vision and strategic framework for 'Creating a Better Place' which had associated with it, a significant level of investment. The revised vision placed more emphasis on economic recovery and accelerating the potential for generating revenue budget savings. The report was the culmination of a fundamental review of the programme which commenced in April 2020 close to the start of the pandemic. Following the review and in anticipation of the PWLB consultation outcome the Creating a Better Place Strategy was reduced by approximately £90.000m. As at the month 8 capital monitoring position, the anticipated expenditure over the five year life of the 2020/21 to 2024/25 strategy was £404.630m, taking 2020/21 as at (£81.013m) leaves

£323.617m for the remainder of the approved 2021/22 to 2024/25 capital programme. Following the refresh of existing strategies including Creating a Better Place, and moving forward the planning period by one year, the Capital Strategy for 2021/22 to 2025/26 totalled £341.102m. The capital programme included proposed expenditure for 2021/22 of £84.912m, with the largest area of expenditure being on regeneration, schools, transport and infrastructure projects within People and Place Directorate. Total expenditure increases to £94.765m in 2022/23, then decreases to £71.418m, £62.553m and £27.454m in 2023/24, 2024/25 and 2025/26 respectively.

The Government was continuing to provide significant levels of grant funding. The main sources of grant income are the Highway Maintenance Grant at £12.204m, along with Education-related Basic Need Capital grant provision of £10.677m over the life of the programme. There were also considerable resources allocated to the Council via the GMCA including the Mayors Cycling and Walking Challenge Fund (£11.273m in 2021/22). The majority of capital Government Grant funding is unringfenced.

The 2021/22 capital programme relied on £12.071m of unringfenced and £22.508m of ringfenced grants. As in previous years, a major source of financing remained prudential borrowing. The amount required in 2021/22 (£42.871m) included borrowing attributed to schemes that had slipped from prior years as well as new borrowing associated with the regeneration programme. The timing of the borrowing was linked to the cash position of the Council and may therefore not mirror the spending/financing profile set out above.

There would be a continued review of capital spending requirements as the Council has further regeneration ambitions, but affordability and deliverability would be a key consideration in this regard, however, it was possible that the capital position could change prior to the start of 2021/22 and during the year as there may be further Government funding allocations announced prior to the start of 2021/22, new initiatives announced later in the financial year and the opportunity to bid for additional funding.

Therefore, the overall capital programme position would be kept under review and any new information regarding funding allocations would be presented to Members in future reports. There had been consultation with the Members of the Capital Investment Programme Board on the proposed Capital Strategy and Capital Programme for 2021/22 to 2025/26. The consideration of the proposed Capital Strategy and Capital Programme for 2021/22 to 2025/26 by the Overview and Scrutiny Performance and Value for Money Select Committee on 28 January 2021 was a key element of the consultation process. The Select Committee was content to commend the report to Cabinet.

Options/Alternatives considered

Members could choose to accept the proposed Capital Strategy and Capital Programme or revise and suggest an alternative approach to capital investment including the revision of capital priority areas.



RESOLVED - That the Cabinet accepted and commended to Council:

1. The Capital Strategy for 2021/22 to 2025/26 at Appendix 1 of the report and summarised at section 2.1.
2. The Capital Programme for 2020/21 and indicative programmes for 2022/23 to 2025/26 at Annex C of Appendix 1 and summarised at sections 2.2 to 2.6 of the report.
3. The Flexible Use of Capital Receipts Strategy as presented at Annex D of Appendix 1.

12

TREASURY MANAGEMENT STRATEGY STATEMENT 2021/22 INCLUDING THE MINIMUM REVENUE PROVISION POLICY STATEMENT, ANNUAL INVESTMENT STRATEGY AND PRUDENTIAL INDICATORS

The Cabinet gave consideration to a report of the Director of Finance which presented the strategy for 2021/22 Treasury Management activities including the Minimum Revenue Provision Policy Statement, the Annual Investment Strategy and Prudential Indicators together with linkages to the Capital Strategy.

Members were informed that the Council was required through regulations supporting the Local Government Act 2003 to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans were affordable, prudent and sustainable. It was also required to produce an annual Treasury Strategy for borrowing and to prepare an Annual Investment Strategy setting out the Council's policies for managing its investments and for giving priority to security and liquidity of those investments. The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management 2017 (the Code) required the receipt by full Council of a Treasury Management Strategy Statement.

The Strategy for 2021/22 covered two main areas.

Capital Issues

- The Capital expenditure plans and the associated Prudential Indicators
- The Minimum Revenue Provision (MRP) Policy Statement

Treasury Management Issues:

- The Current Treasury Position
- Treasury Indicators which limited the treasury risk and activities of the Council
- Prospects for Interest Rates
- The Borrowing Strategy
- The Policy on Borrowing in Advance of Need
- Debt Rescheduling
- The Investment Strategy
- The Creditworthiness Policy
- The Policy regarding the use of external service providers.

The report outlined the implications and key factors in relation to each of the above Capital and Treasury Management issues

and made recommendations with regard to the Treasury Management Strategy for 2021/22.

Cabinet noted that the Audit Committee, the body charged with the detailed scrutiny of Treasury Management activities considered the proposed Treasury Management Strategy report at its meeting on 21 January 2021. It was also presented to the Overview and Scrutiny Performance and Value for Money Select Committee on 28 January 2021. Both the Audit Committee and the Overview and Scrutiny Performance and Value for Money Select Committee were content to commend the report to Cabinet.

Options/Alternatives considered

The Council was required to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management the Council and has no option other than to consider and approve the contents of the report. Therefore, no options/alternatives were considered.

RESOLVED -That the following be accepted and recommended to Council:

1. Capital Expenditure Estimates as per paragraph 2.1.2 of the report.
2. Minimum Revenue Provision policy and method of calculation as per Appendix 1 of the report.
3. Capital Financing Requirement (CFR) Projections as per paragraph 2.2.4 of the report.
4. Projected treasury position as at 31 March 2020 as per paragraph 2.3.3 of the report.
5. Treasury Limits as per section 2.4 of the report.
6. Borrowing Strategy for 2021/22 as per section 2.6 of the report.
7. Annual Investment Strategy as per section 2.10 including risk management and the creditworthiness policy at section 2.11 of the report.
8. The level of investment in specified and non-specified investments detailed at Appendix 5 of the report.

13

STATEMENT OF THE CHIEF FINANCIAL OFFICER ON RESERVES, ROBUSTNESS OF ESTIMATES AND AFFORDABILITY AND PRUDENCE OF CAPITAL INVESTMENTS

Consideration was given to a report of the Director of Finance which recommended that the Cabinet considered the level of balances necessary to support the 2021/22 budget underpinned by the agreed policy on Earmarked Reserves, setting a properly balanced revenue budget which included the financing of capital investments within the present investment proposals.

Members were informed that, in order to comply with Section 25 of the Local Government Act 2003; the Authority's Chief Financial Officer (the Director of Finance) was required to report on the robustness of the estimates made for the purposes of the revenue budget calculations and the adequacy of the proposed reserves. This information enabled a longer-term view of the overall financial resilience of the Council to be taken. It also reported on the Director of Finance's consideration of the

affordability and prudence of capital investment proposals. The level of general balances to support the budget and an appropriate level of Earmarked Reserves maintained by the Council in accordance with the agreed Council Policy on Earmarked Reserves, were an integral part of its continued financial resilience supporting the stability of the Council. There had been several reports issued on the subject of the financial resilience of Local Authorities alongside the publication by the Chartered Institute of Public Finance & Accountancy (CIPFA) of a Local Authority Financial Resilience Index and the implementation of a Financial Management Code. These issues were highlighted in Section 5 of the report but were largely prompted by the financial challenges at Northamptonshire County Council during 2018 followed by both Nottingham City Council (NCC) and the London Borough of Croydon Council (LBC) in 2020 and the raising of significant concerns about the financial stability of other Local Authorities. On 10 February it was announced that four other Councils were to be provided with financial support by the Ministry of Housing, Communities and Local Government (MHCLG) in the form of a capitalisation direction. This was to ensure that they are able to set a balanced budget for 2021/22

Whilst the Council had prepared a detailed revenue budget within a five-year Medium Term Financial Strategy (MTFS), a five year capital programme and continued the closure of accounts within an appropriate timeframe allowing early focus on the upcoming challenges and a robust financial transformation programme, there continued to be a reliance on the use of reserves to balance the revenue budget.

Since 2016/17, reserves of £32.945m had been used to underpin the Council's revenue budget. For 2021/22, there was a proposed use of reserves of £10.008m combined with a number of one-off measures totalling £5.150m.

Included within the Medium Term Financial Strategy was the required use of reserves of £29.000m over the next two financial years. For 2021/22, it was proposed to use corporate reserves of £16.703m and specific reserves of £0.127m together with £25.456m to offset the Collection Fund deficit arising from the awarding of business rates reliefs in 2020/21 (this is a technical accounting adjustment) combined with one-off measures totalling £2.000m. The remaining corporate Balancing Budget reserve of £12.297m would be used to support 2022/23

The continued use of reserves and one-off measures had the impact of deferring the changes that were required to balance the revenue budget by on-going sustainable means. The implementation of the next phase of the transformation programme in 2021/22 was expected to begin to address this challenge. The expected benefits of the transformation programme would be phased over several financial years and it was anticipated that there would continue to be a need to utilise reserves until the programme was complete.

As detailed within the Council's Audit Completion Report, presented alongside the Statement of Accounts, the External Auditors concluded that for 2019/20 the Council had made proper arrangements to deliver financial sustainability in the medium term. However, it was also pointed out that "The

Council had significant levels of Earmarked Reserves as at 31 March 2020, but these were not sufficient to sustain the Council's financial position over the medium term". It was important to note that the public findings into both Nottinghamshire City Council and London Borough of Croydon (LBC) indicated Councils were at risk of not being able to agree balanced budgets as their reserves were insufficient to mitigate either in year or 2021/22 estimated shortfalls in resources. LBC is still awaiting a response to its request for support from the MHCLG.

Members noted that financial resilience depended in part on the Council maintaining an adequate level of reserves. In order to scrutinise the level of reserves held by the Council, the policy on earmarked reserves was considered by the Audit Committee in June 2020 and it was proposed to action the same review again in 2021/22 after the closure of the accounts for 2020//21.

Whilst the Council was utilising a number of reserves to support the 2021/22 revenue budget, and anticipated a use of reserves in 2022/23, Members were assured that the Council currently remained financially resilient and was working hard to address the pressures that had arisen over a number of years and therefore still continued to be well placed to meet the difficult financial challenges that it faced.

RESOLVED - That the following be accepted and commended to Council:

1. The proposed General Fund Balance currently calculated for 2021/22 at £15.641m.
2. The initial estimate of General Fund Balances to support the Medium Term Financial Strategy is as follows:
 - £17.349m for 2022/23 and
 - £18.602m for the years 2023/24
3. The intended report to be presented to the Audit Committee on Earmarked Reserves to ensure this area is subject to appropriate scrutiny.
4. The actions necessary to secure a properly balanced budget as presented in paragraph 3.6 of the report.
5. The actions necessary to ensure the prudence of the capital investments as noted in Section 4 of the report.

The meeting started at 6.00pm and ended at 18.42



Report to Cabinet

Revenue Monitor and Capital Investment Programme 2020/21– Month 9 December 2020

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance & Green

Officer Contact: Anne Ryans, Director of Finance

Report Author: Anne Ryans, Director of Finance
Ext. 4902

22 March 2021

Reason for Decision

The report provides Cabinet with an update on the Council's 2020/21 forecast revenue budget position at Annex 1 and the financial position of the capital programme as at 31 December 2020 (Quarter 3), together with the revised capital programme 2020/21 to 2025/26, as outlined in section two of the report at Annex 2. Both elements of the report incorporate more recent information as appropriate.

Executive Summary

Revenue Position

The current forecast outturn position for 2020/21 is a projected favourable variance of £0.522m after allowing for approved and pending transfers to and from reserves.

The position also includes additional costs and pressures that have been identified by the Authority in this financial year as a direct result of the Government's ongoing arrangements to mitigate the spread of COVID-19 which commenced on 23 March 2020. The additional pressures include forecasts of both income shortfalls and additional expenditure that have impacted on the Authority's budgets as a result of the pandemic.

The pandemic has affected nearly all aspects of Council service delivery; however, most significantly People and Place, Children's Services and Community Health & Adult Social Care Portfolios. Action has been taken and will continue up to the year end to address variances and take mitigating action as detailed in the report.

The overall corporate position is partly being offset by the application of the £25.802m unringfenced Government COVID related grant funding from the Ministry for Housing, Communities and Local Government (MHCLG), of which £7.641m was received in 2019/20 and held in a specific Earmarked Reserve to underpin the 2020/21 budget. There has been actual, in-year, receipts of £17.261m of COVID Emergency Funding, including £1.281m for the first submission for loss of income in relation to sales, fees and charges under the income compensation scheme (SFC). Further provision is made for the second and third SFC submissions in the sum of £0.924m and £0.900m respectively, the former has been submitted but not yet paid, the latter is an estimate for the period December 2020 to March 2021.

The COVID pressure is further offset by actual and anticipated refunds from the Greater Manchester Combined Authority (GMCA) of £3.133m together with a contribution from Oldham CCG to support the cost of adult social care services via the Section 75 Pooled Funding Agreement that is in place between the Council and the CCG.

In Annex 1 to the report, both the full Government grant and the GMCA refunds are presented as single sums so that it highlights the level of variation across all Council budgets. However, this summary report presents the position after applying the Government grant and the refunds across Portfolio areas.

An update on the major issues driving the projections are detailed within Annex 1, Section 3.

Section 4 of the report supplemented by Appendices 3 and 4 advises Cabinet of the grants that the Council has received. There have been a number of developments particularly in relation to support for businesses and to provide additional support for the Council. Further grant funding and external contributions are possible, as a result, both the overall financial position and the application of Government grant could change before the end of the financial year.

As this financial monitoring report reflects the financial position at Quarter 3 updated with more recent information where possible, it can be regarded as a reliable indicator of the potential year end position. Therefore, based on current projections it is anticipated that the Council will retain at least the current, favourable position to the end of the financial year.

Effective from 5 January 2021, the country, for the time being, remains in national lockdown. The phased easing of restrictions announced on 22 February 2021 and the impact of the rollout of the vaccine, should hopefully see a gradual easing of the financial pressures on the Council, however much depends on the future direction of the pandemic, Government action and the response required from the Council.

Information on the latest position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund is also outlined in the report. There are currently no significant issues of concern in relation to the HRA, however the Collection Fund, is forecasting an in-year, deficit of £7.110m directly as a result of COVID-19. This will have a budgetary impact in 2021/22 and this has been incorporated into the 2021/22 approved budget.

The DSG continues to be an area which is facing a financial challenge with a projected deficit of £4.559m at the end of the current financial year. Action is being taken with the aim of reducing the cumulative deficit and bringing the DSG towards a balanced position.

Capital Position

The report outlines the most up to date capital spending position for 2020/21 to 2025/26 for approved schemes. The revised capital programme budget for 2020/21 is £71.012m at the close of Quarter 3, a net decrease of £76.620m from the original budget of £147.632m. Actual expenditure to 31 December 2020 was £56.080m and had increased to £61.483m at the end of February 2021 (86.58% of the forecast outturn). The forecasts for 2021/22 onwards reflected the Capital Strategy and Programme approved at the Budget Council on 4 March 2021.

It is probable that the forecast position will continue to change before the year end with additional re-profiling into future years.

Recommendations

That Cabinet approves;

1. The forecast revenue outturn for 2020/21 at Quarter 3, being a £0.522m favourable variance having regard to the action being taken to manage expenditure
2. The forecast positions for the Dedicated Schools Grant, Housing Revenue Account and Collection Fund
3. The use of reserves as detailed in Appendix 1 to Annex 1
4. The revised capital programme for 2020/21 to 2025/26 at Quarter 3 as presented in Annex 2.

Revenue Monitor and Capital Investment Programme 2020/21 - December 2020**1 Background**

- 1.1 The Authority's 2020/21 revenue budget and capital programme was approved by Council on 26 February 2020. Under established budget procedures, all services are required to monitor and review their approved revenue and capital budgets during the financial year. Reporting to Cabinet in the past has been on a quarterly basis, however, as a result of the impact of COVID-19 and the significant change and challenge to the financial position of the Council, financial monitoring reports have, up to the current month, been presented to Cabinet on a monthly basis.
- 1.2 As part of the budget monitoring process, the forecast year-end position for revenue and capital has been prepared by all services as follows:
- a) The revenue forecast is based on a comparison of profiled budgets to the actual position as at the end of December together with known commitments, issues and planned management actions. The forecasts include an estimation of the costs and lost income arising as a result of the Authority's response to COVID-19. Members will recall that the Council is submitting monthly financial information on COVID related pressures to the MHCLG (as highlighted to Cabinet in previous months). The information in this report is an update on the Round 8 submission made to the MHCLG on 11 December 2020 and the preparatory work for the round 9 submission on 29 January 2021.
 - b) The capital programme forecast has been based on notified revisions to the approved 2020/21 position including new grant announcements, revisions to the Creating a Better Place programme as approved at Cabinet on 24 August 2020 and for future years, having regard to the 2021/22 to 2025/26 Capital Strategy and Programme approved at the 4 March Budget Council..
- 1.3 The outturn projections reflect the evolving position of management actions put in place to mitigate in-year pressures, new developments and changes in the profile of planned expenditure and of course any further support that the Government may give with regard to additional funding to address the financial challenge created as a result of COVID-19. Clearly, given the ever changing course of the pandemic, there are likely to be further changes that cannot be fully assessed at this time but will be addressed when the final accounts for 2020/21 are prepared.

2. Current position

- 2.1 The forecast revenue outturn for 2020/21 is a favourable variance of £0.522m, an improvement (as expected) of £8.852m compared to the £8.330m reported at Month 8. Further details of the current revenue budget position and a full description of this forecast can be found in Annex 1. The pressures relating to COVID-19 total £30.990m, this reduces to £5.188m with the application of the £25.802m of un-ringfenced Government COVID related grant funding received to date. The non-COVID related position reflects an underspend of £2.577m. This position has been assisted by the £5.900m contribution from Oldham CCG to support the costs of adult social care. The final element producing the £0.522m underspending is the application of £3.133m of resources returned to the Council by GMCA. The remaining

pressures are primarily in Children's Services and Capital, Treasury and Corporate Accounting.

2.2 The total Portfolio variances are £28.413m as detailed in Annex 1 at Tables 1 and 2 including COVID (£30.990m) pressures and non-COVID (£2.577m) underspending. This is comprised of People and Place reporting an adverse variance of £4.928m (£5.633m COVID related), Community Health and Adult Social Care reporting a pressure of £1.588m (£5.986m COVID related) and Children's Services reporting an adverse variance of £8.407m (£5.130m COVID related). The Services within Communities and Reform and Commissioning are similarly reporting adverse variances of £2.030m (£3.125m COVID related) and £0.843m (£1.176m COVID related) respectively. There is a small favourable variance of £0.286m within Chief Executive, with a £0.528m COVID related pressure. Capital, Treasury and Corporate Accounting is reporting a pressure of £10.912m of this £9.412m is COVID related with a further £1.500m adverse business as usual variance.

2.3 However, taking an approach to allocating the grant so far received against the costs incurred and using the information in Tables 1 and 2 of Annex 1, the table below shows the net impact across all Portfolio areas:

Portfolio Area	Gross Costs - COVID-19 Response £000	Apportion Grant Funding (SFC) £000	Apportion Grant Funding (MHCLG) £000	COVID Costs Net of Funding £000	Apportion GMCA Refund £000	Business as Usual £000	Total Variance £000
People and Place	5,633	(1,224)	(3,943)	466	(282)	(705)	(520)
Community Health and Adult Social Care	5,986	(790)	(5,196)	-	-	(4,398)	(4,398)
Children's Services	5,130	(454)	(3,591)	1,086	(656)	3,277	3,707
Communities and Reform	3,125	(358)	(2,187)	580	(350)	(1,095)	(865)
Commissioning	1,176	(224)	(823)	128	(78)	(342)	(291)
Chief Executive	528	(55)	(370)	103	(62)	(814)	(773)
Capital, Treasury and Corporate Accounting	9,412	-	(6,588)	2,824	(1,706)	1,500	2,619
Total	30,990	(3,105)	(22,697)	5,188	(3,133)	(2,577)	(522)

2.4 Despite the move to a favourable projected outturn, the levels of expenditure both COVID related and operational is of concern and as previously reported, management action had been initiated during 2020/21 across all service areas to review and challenge planned expenditure and to maximise income. Robust measures were introduced to further address and mitigate the impact of COVID-19 on all Council services.

2.5 The local and national position in relation to COVID-19 continues to have an impact on the financial position of the Council. The fluctuations in the month-on-month outturn position highlights the volatility and potential fragility of the Council in relation to the pandemic and the difficulty in reporting a consistent and settled financial position. Clearly there is still a challenge for the Authority and it should be noted that in relation to COVID there inevitably remains an element of estimation, the rollout of

the vaccine and the phased easing of restrictions, will hopefully have a positive impact, however, as with previous relaxations, there can be no certainty, and the uncertain timeline for the course of the pandemic remains a factor.

- 2.6 The Government has already provided funding support of £24.902m, including the first two claims submitted to the MHCLG Sales, Fees and Charges (SFC) compensation scheme. An estimate of £0.900m for the third SFC claim for the period December 2020 to March 2021 is also now included so a total of £25.802m has therefore been used to offset the overall pressure arising from the pandemic. There is also a scheme which will allow Council Tax and Business Rates deficits to be addressed over 3 years instead of one (impacting on the 2021/22 budget) and additional Local Tax Income Guarantee Grant funding of £1.000m is expected to support 75% irrecoverable Collection Fund losses (this is to be used to support the 2021/22 budget). This brings the total of un-ringfenced COVID grants received and anticipated from MHCLG to £26.802m .
- 2.7 The Government has issued further support in the form of a range of ringfenced and a small number of unringfenced revenue grants to assist the Council with its response to COVID, the details of which are provided in section 4.1 to 4.5 of Annex 1 and a full schedule is included at Appendix 3.
- 2.8 Additional support for business has been received which is administered by the Council and action is in train to ensure businesses receive grant payments. Further detail is provided in sections 4.6 to 4.11 of Annex 1 and itemised at Appendix 4.
- 2.9 Clearly the forecast surplus of £0.522m is a significant improvement on the position reported at month 8, and a very positive indicator of a favourable outturn at the end of the financial year.
- 2.10 Information on the latest position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund is also outlined in the report. There are currently no significant issues of concern in relation to the HRA, however the Collection Fund, directly as a result of COVID-19, is forecasting an in-year deficit of £7.110m, unchanged from the previous month.
- 2.11 The DSG continues to be an area which is facing a financial challenge with a projected deficit of £4.559m (unchanged) being forecast for 2020/21, as reported to the Schools Forum on 13 January 2021. This was incorporated in an update on the DSG Recovery Plan which forecasts a small DSG surplus being achieved in 2023/24, further detail is provided in section 5 of Annex 1.
- 2.12 The original approved capital programme for 2020/21 totalled £147.632m. The revised capital programme as at Quarter 3 reflecting the outcome of the annual review of the capital programme and therefore taking account of approved carry forwards, approved new funding, new schemes (and variations) and proposed variations/ re-phasing now shows projected revised expenditure of £71.012m, a decrease of £10.000m compared to the previous month. Actual expenditure at the end of December 2020 was £56.080m (77.89% of the forecast outturn), and at the end of February expenditure had increased to £61.483m. Further details of expenditure and schemes within the capital programme can be found in Annex 2.

3 Options/Alternatives

- 3.1 The options that Cabinet might consider in relation to this report are;
- a) to agree the forecast revenue and capital positions presented in the report including proposed changes
 - b) to agree some of the forecasts and changes included in the report
 - c) not to agree any of the forecasts and changes included in the report

4 Preferred Option

- 4.1 The preferred option is that Cabinet approves option 3.1 (a) above; being all of the forecast revenue and capital positions presented in the report and Annexes 1 and 2.

5 Consultation

- 5.1 Consultation has taken place with the services within the Council and the Director of Finance.

6 Financial Implications

- 6.1 The full financial implications are detailed in the report.

7 Legal Services Comments

- 7.1 There are no legal issues at this time.

8 Co-operative Agenda

- 8.1 Improving the quality and timeliness of the financial information available to citizens of Oldham supports the co-operative ethos of the Council.
- 8.2 The revenue budget and capital strategy/ programme have been prepared so that they embrace the Council's co-operative agenda with resources being directed towards projects that enhance the aims, objectives and co-operative ethos of the Council. Ongoing budget monitoring is key to ensuring this objective is met.

9 Human Resources Comments

- 9.1 There are no Human Resource implications.

10 Risk Assessments

- 10.1 The risk is that the proposed management actions are not achieved in full. Should this be the case then alternatives will be sought and implemented.

11 IT Implications

- 11.1 There are no IT implications.

12 Property Implications

12.1 There are no Property implications.

13 Procurement Implications

13.1 There are no Procurement implications.

14 Environmental and Health & Safety Implications

14.1 There are no Environmental and Health and Safety implications.

15 Equality, Community Cohesion and Crime Implications

15.1 There are no Equality, Community Cohesion and Crime implications.

16 Equality Impact Assessment Completed

16.1 Not Applicable.

17 Key Decision

17.1 Yes

18 Key Decision Reference

18.1 FG - 21 – 20

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: Revenue Background Papers are contained in Annex 1 including Appendices 1 to 4

Officer Name: Andy Cooper

Contact No: 0161 770 4925

File Ref: Capital Background Papers are contained in Annex 2 including Appendices A - G

Officer Name: Lee Walsh

Contact No: 0161 770 6608

20 Appendices

Annex 1 Revenue Budget Monitoring Report 2020/21 Quarter 3 – December 2020

Appendix 1 Quarter 3 - Planned Transfers to/ from Reserves

Appendix 2 Financing of the 2020/21 Budget at Quarter 3

Appendix 3 General Grants in Support of COVID-19

Appendix 4 Business Grant Support Received from Central Government

Annex 2	Capital Investment Programme Report 2020/21 Quarter 3 – December 2020
Appendix A	SUMMARY – Quarter 3 - Corporate Services
Appendix B	SUMMARY – Quarter 3 - Children’s Services
Appendix C	SUMMARY – Quarter 3 - Communities and Reform
Appendix D	SUMMARY – Quarter 3 - Community Health & Adult Social Care
Appendix E	SUMMARY – Quarter 3 - Housing Revenue Account (HRA)
Appendix F	SUMMARY – Quarter 3 - People and Place
Appendix G	SUMMARY – Quarter 3 – Proposed Variations

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REVENUE BUDGET MONITORING REPORT 2020/21**Quarter 3 December 2020****1 Background**

1.1 The Authority's 2020/21 revenue budget was approved by Council on 26 February 2020 at a sum of £233.524m incorporating:

- £3.011m of budget reductions approved within the 2020/21 Budget (and £1.776m approved within the 2019/20 Budget)
- £10.008m use of corporate and specific reserves
- £5.150m of other one-off financing measures.

1.2 Under established budget procedures all services are required to monitor and review their approved budgets during the financial year, as part of this process, a forecast of the year-end position has been prepared by all services. The forecast is based on a comparison of profiled budgets to the actual position as at the end of Quarter 3 together with known commitments, issues and planned management actions. The forecasts include the latest estimates in relation to expenditure arising as a result of COVID-19, incorporating the round 8 position reported to the Ministry of Housing, Communities and Local Government (MHCLG) on 11 December 2020 and the preparatory work for the round 9 submission on 29 January 2021. In addition, provision is now made for all three claims in relation to the loss of income as a result of the pandemic under the income compensation scheme for lost sales, fees and charges (SFC). The first claim (£1.281m) has been accepted and paid in full by the MHCLG on 27 November 2020, the second claim for the four-month period August to November has been calculated as £0.924m and submitted for payment, a provisional estimate of £0.900m for the final claim for December 2020 to March 2021 is included for the first time.

1.3 In considering the projections included in the MHCLG returns and in this report, it is important to note that there is a high degree of estimation in relation to the impact of COVID-19, made even more speculative given the Council, along with the remainder of Greater Manchester was, on 31 December 2020, initially placed under the new, more stringent Tier 4 (stay at home) restrictions which were closely followed by the national lockdown implemented on 5 January 2021. The completion of the returns and the forecasting of the likely impact of the pandemic on the Council's budget is based on both the actual expenditure and the income loss recorded to date but also relies on a series of assumptions. Clearly as the year end approaches, there is less likelihood of variation from the assumed position, but it is not until the year end that there will be certainty of the position.

2 Current Position**2.1 Summary Position**

2.1.1 The current net revenue budget of £296.762m represents an increase of £63.238m against the originally approved budget and an increase of £3.928m against the financing that was available at Month 8. The increase from the previously reported position is due to the receipt of an additional £2.106m of COVID Additional Restrictions

Support Grant, £0.039m of additional New Burdens funding to support the administration of Government initiatives, a further £0.516m to support Clinically Extremely Vulnerable (CEV) Individuals and £0.006m for Council Tax Relief for Annexes. The balance of £1.261m is in relation to the treatment of Capital Grants that for accounting purposes need to be reflected in the General Fund. A full funding analysis of the net revenue expenditure is shown at Appendix 2.

- 2.1.2 The current position for 2020/21 at Quarter 3 is a projected underspend of £0.522m, an improvement of £8.852m (in line with expectations) compared to the overspend of £8.330m reported at Month 8. A forecast of the year-end position has been prepared by all services. It is based on a comparison of profiled budgets to the actual position as at the end of Quarter 3 together with known commitments, issues and planned management actions in relation to 'business as usual' and the pandemic. The table below shows the year-end forecast position against budget for each Portfolio, including the additional costs anticipated as a result of the COVID-19 pandemic.

Table 1 - Summary Forecast Revenue Outturn

	Budget	Forecast	In Year Transfers To/ From Reserves	Variance Quarter 3	Variance Month 8
	£000	£000	£000	£000	£000
People and Place	62,013	67,152	(211)	4,928	4,676
Community Health and Adult Social Care	64,013	65,628	(27)	1,588	10,232
Children's Services	50,778	59,882	(697)	8,407	8,851
Communities and Reform	35,375	38,675	(1,270)	2,030	2,077
Commissioning	9,764	12,645	(2,047)	834	843
Chief Executive	7,713	7,427	-	(286)	(276)
Capital, Treasury and Corporate Accounting	11,812	22,724	-	10,912	8,912
Discretionary Business Support Grants	11,576	11,576	-	-	-
Covid-19 Funding	17,261	(900)	(7,641)	(25,802)	(24,902)
Additional Section 31 Grant - Business Rate Reliefs	25,456	-	25,456	-	-
Additional Section 31 Grant - Local Tax Income Guarantee	1,000	-	1,000	-	-
Resources Returned by GMCA		(3,133)	-	(3,133)	(2,083)
NET EXPENDITURE	296,762	281,676	14,563	(522)	8,330
FINANCED BY:	(296,762)	(296,762)	-	-	-
NET FORECAST VARIANCE	-	(15,086)	14,563	(522)	8,330

- 2.1.3 The forecast outturn to the end of the year, after a predicted and proposed (net) in-year transfer to reserves totalling £14.563m is a favourable variance of £0.522m. A detailed list of the approved and planned use of reserves at Quarter 3 can be found at Appendix 1. The key issues to note are:

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- a) As previously reported, the movement in reserves includes the transfer to reserves of the Section 31 Grant Funding (£25.456m) for Business Rate Relief compensation which will be used to support the 2021/22 budget.
 - b) The final Local Government Finance Settlement confirmed details of a new Section 31 grant to compensate the Council for 75% of the irrecoverable Collection Fund losses. The position reported therefore includes a prudent estimate of the Local Tax Income Guarantee Grant of £1.000m. As the Collection Fund loss will not impact on the finances of the Council until 2021/22, the £1.000m will be carried forward as a reserve and used to support the 2021/22 budget.
 - c) The transfers to reserves are offset by £7.641m of un-ringfenced COVID-19 funding received from Central Government at the end of 2019/20. This was transferred into an Earmarked Reserve at the year-end pending release to offset expenditure in 2020/21. Four tranches of un-ringfenced grant funding have been received, totalling £22.697m
 - d) The Government has provided partial compensation for lost SFC income. Grant of £1.261m has been received, a claim for £0.924m for the second SFC return has been submitted and a further £0.900m is anticipated from the round 3 submission.
 - e) The total Government un-ringfenced COVID support either received or anticipated is £26.802m, of which £1.000m has been transferred to reserves (b, above) and £25.802m has been used to offset COVID expenditure in the current financial year (c and d above).
 - f) The forecast outturn reflects the inclusion of £3.133m of resources returned by the Greater Manchester Combined Authority (GMCA) as explained at 2.1.10 and a £5.900m contribution towards the costs of adult social care from Oldham CCG as explained at 2.1.11.

2.1.4 There are significant variances contained within the projected net underspend. As previously mentioned, the position includes a forecast of all the additional pressures being incurred by the Authority as part of its on-going response to the COVID-19 pandemic, as a direct result of the Governments continually evolving arrangements to mitigate the spread of COVID-19 that commenced on 23 March 2020. These additional in-year COVID related pressures, totalling a net £5.188m include forecasts of both income shortfalls and additional expenditure that have impacted on the Authority's budgets as a result of the pandemic and are a decrease of £3.713m on the £8.901m included in the Month 8 monitoring report. The benefit of additional resources and a large decrease in forecast expenditure within Community Health and Adult Social Care is reduced slightly by moderate increases in Communities and Reform and People and Place. The business as usual pressure has reduced by £7.222m from a £1.512m overspend to the current estimate of a £5.710m underspend. An increase of £2.000m in Capital and Treasury, relating to additional pension costs has been offset by contributions from the GMCA and Oldham CCG as explained above and small reductions in all the other Portfolios with the exception of People and Place. Table 2 below analyses the variance between COVID-19 and 'Business as Usual' operational variances.

Table 2 - Analysis of Variances

	Variance Quarter 3 £000	Council COVID 19 Costs included in forecasts £000	Business as Usual £000
People and Place	4,928	5,633	(705)
Community Health and Adult Social Care	1,588	5,986	(4,398)
Children's Services	8,407	5,130	3,277
Communities and Reform	2,030	3,125	(1,095)
Commissioning	834	1,176	(342)
Chief Executive	(286)	528	(814)
Capital, Treasury and Corporate Accounting	10,912	9,412	1,500
COVID-19 Funding	(25,802)	(25,802)	-
Total before Resources Returned by GMCA	2,611	5,188	(2,577)
Resources Returned by External Partners	(3,133)		(3,133)
Total	(522)	5,188	(5,710)

- 2.1.5 The People and Place Portfolio has a reported a pressure of £4.928m compared to £4.676m at Month 8, an increase of £0.252m with a proposed net use of reserves totalling £0.211m. COVID related expenditure has increase by £0.120m and 'business as usual' expenditure has increased by £0.132m since month 8.
- 2.1.6 Community Health and Adult Social Care (CHASC) is reporting an overspend of £1.588m, including a £0.027m use of reserves. COVID-19 related expenditure has reduced significantly (£2.686m) from the position reported at month 8, likewise the initial 'business as usual' pressure of £1.502m is a decrease of £0.058m compared to that reported at Month 8. This has then been reduced further by a £5.900m contribution from Oldham CCG to support the costs of social care, bringing the total 'business as usual' outturn to £4.398 surplus The adverse variance reported against COVID-19 related expenditure is, in the main due to the demand for care packages following hospital discharges which has increased due to the second wave of the pandemic and which is now funded under revised guidance.
- 2.1.7 Children's Services is forecasting an adverse variance of £8.407m of which £5.130m is related to COVID-19 and with a proposed £0.697m use of reserves, a decrease of £0.444m compared to the previously reported £8.851m. There are still major pressures within two main service areas: Education, Skills and Early Years; at £0.742m and Children's Social Care; at £7.767m.
- 2.1.8 Communities and Reform is reporting an adverse variance of £2.030m which is a decrease of £0.047m compared to that reported at month 8. COVID related pressures have increased by £0.163m whilst operational activities have reduced by £0.210m since month 8. The Commissioning Portfolio is reporting an overall adverse variance of £0.834m. The total variance is comprised of pressures of £0.512m in Procurement and £0.322m in Finance.

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- 2.1.9 The Chief Executive Portfolio is reporting a favourable variance of £0.286m, whilst Capital, Treasury and Corporate Accounting is showing an adverse position of £10.912m. This is a pension related increase of £2.000m. The overall variance comprises a COVID pressure of £9.412m and a further operational pressure of £1.500m.
- 2.1.10 Anticipated Government un-ringfenced funding, specifically applied to offset pressures in 2020/21, totals £25.802m including the submitted, but as yet unconfirmed second SFC submission of £0.924m plus for the first time an estimated £0.900m for the final 2020/21 claim for the period December 2020 to March 2021. The GMCA has reimbursed the Council £2.083m which has been forecast to offset the increased 'business as usual' expenditure, and a further £1.050m in relation to the Retained Business Rates scheme is anticipated and has been included in the month 9 position. This total additional resource of £3.133m is presented in table above.
- 2.1.11 Mindful of the financial pressures being faced by the Council in relation to Adult Social Care, Oldham CCG is supporting the Council with a contribution towards such costs reflecting the partnership between the organisations. This is being managed via the Section 75 Pooled Funding Agreement which has been established between the Council and the CCG. This £5.900m resource will therefore offset the costs of Adult Social Care spending in 2020/21 and reduce the previously reported variance. There are discussions in relation to the provision of further resources before the year end.
- 2.1.12 A more detailed analysis of financial performance and the major variances can be found by Portfolio in the following sections.
- 2.1.13 It is important to note that as a result of COVID-19 the following 2020/21 approved budget reductions are still forecast not to be achieved
- Treasury Management (Capital and Treasury) - £1.000m
 - The Direct Payment Review (CHASC) - £0.150m
 - Property Savings and Accommodation Review (People and Place) - £0.163m (part of an approved £0.261m)
 - Service efficiencies approved in 2019/20 of £1.776m including Children's Services at £1.660m

All the above pressures are unchanged and are included within the forecasts.

- 2.1.14 As previously reported, in view of the continued projected adverse variance, management action has been initiated across all service areas to review and challenge planned expenditure and to maximise income, in addition the recruitment of staff to vacant posts and significant items of expenditure continue to be monitored via a corporate process. Such service and corporate actions will continue with the aim of bringing expenditure nearer to the resources available. In addition, further measures are being implemented to ensure non-essential expenditure is avoided unless there is an exceptional business case to support it.
- 2.1.15 The effectiveness of management action has been closely monitored by Directorate Management Teams with regular progress updates being provided to Portfolio holders. The local and national position in relation to COVID-19 appears to be improving, with a limited relaxation of the national lockdown being announced on the 22 February 2021 and also the impact of the national vaccine programme. It is still not clear what effect

these measures will have on the local economy and for future funding allocations. The fluctuations in the month-on-month outturn position highlights the continued volatility and potential fragility of the Council in relation to the pandemic and the difficulty in reporting a consistent and settled financial position.

- 2.1.16 There has been a significant improvement in the financial position largely as a result of the confirmed and anticipated contributions that are outlined in sections 2.1.10 and 2.1.11; additional resources totalling £7.850m have been added at month 9, and are the main factor in generating what is now a forecast surplus of £0.522m. All the main grants that are notified and expected are now factored into the current position. Obviously any additional grant received will further improve the 2020/21 financial position. This together with a phased easing of restrictions, particularly with the roll out of a vaccine, will hopefully lead to an improvement in the operating environment and will contribute to the Council being able to report a further improved position at the end of the financial year.

3 Portfolio Summaries

3.1 People and Place

- 3.1.1 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio.

Table 3 – People and Place - Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Economic Development	1,654	6,806	(295)	4,857
Enterprise and Skills	777	1,425	-	648
Environmental Services	54,064	53,236	84	(744)
ICT	4,152	4,396	-	244
Customer Services	1,366	1,289	-	(77)
Total Forecast Net Expenditure	62,013	67,152	(211)	4,928

Summary

- 3.1.2 The forecast outturn at Quarter 3 for the People and Place portfolio, including all pressures associated with COVID-19 and use of reserves of £0.211m, is an adverse variance of £4.928m.

Economic Development

- 3.1.3 Economic Development Directorate is currently forecasting a pressure of £4.857m compared to £4.425m at Month 8, including a £0.295m use of reserves. The main reasons for the adverse variance are detailed by service area below:

- The Catering and Cleaning service is showing an adverse variance of £1.880m due to lost income as a result of the COVID-19 pandemic which is partially offset by staffing vacancies and reduced food costs.

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- The Car Parking budget is also showing a pressure of £1.009m which relates to the loss of income as a result of COVID-19
 - There is an estimated pressure against the Corporate Landlord/ Investment Estate totalling £1.608m, of which £1.109m relates to COVID-19 with the remainder relating to pre-existing issues in the area
 - The Strategic Housing Service is projecting a pressure of £0.303m due to additional accommodation costs being incurred as a result of COVID-19
 - The Planning Department is projecting a pressure of £0.057m relating to agency staffing costs

3.1.4 There is also a requirement to progress work associated with the Greater Manchester Spatial Framework, the Local Plan and the Creating a Better Place Strategy, as per the 2020/21 Revenue Budget and Medium-Term Financial Strategy. This work will be financed from revenue reserves and the appropriate drawdowns have been now been incorporated in the Quarter 3 monitoring position.

Enterprise and Skills

3.1.5 The Enterprise and Skills Directorate is forecasting a pressure of £0.648m. The Town Centre area, which includes the Market Service is currently forecasting an overall loss for the financial year of £0.775m which includes an anticipated loss of certain rental income due to COVID-19. Offsetting this pressure is an anticipated underspend due to a reduction in staffing costs of £0.127m across the Service area.

Environmental Services

3.1.6 The Environmental Services area is forecasting a £0.744m underspend. The Waste Levy payable to GMCA is currently expected to increase by £0.645m which is in excess of the budget available as a result of additional costs incurred in relation to COVID-19. Variances in the overall GM Waste Disposal budget will be managed by the Combined Authority and the pressure has therefore been excluded from the Directorate forecast. Variances triggering the overall underspend include:

- Public Protection is showing a pressure totalling £0.270m, of which £0.142m relates to loss of income due to COVID-19
- The Highways Operations (Council) is showing a pressure of £0.061m of which £0.093m is lost income as a result of COVID-19
- Waste Management is showing an underspend of £0.164m with £0.048m additional COVID-19 impacts being offset by underspends in staffing vacancies
- Underspends totalling £0.560m consisting of £0.257m in Highways Operations (Unity) and £0.303m in Street Lighting (S.38 / S.278 inspection fees).
- Environmental Services Management is forecast to underspend by £0.351m following a number of requests for voluntary redundancy.

ICT and Customer Services

- 3.1.7 ICT is forecasting an overspend of £0.244m, £0.415m of which is attributable to COVID-19 costs. The overspend is being offset by vacancies within the service. Customer Services is forecasting a small favourable outturn of £0.077m

Achievement of Budget Reductions

- 3.1.8 There is a £0.261m Budget Reduction in place as part of the Creating a Better Place strategy; however, given the effects of the current COVID-19 pandemic it is anticipated that £0.163m of the saving will not be fully achieved in year. The impact of this is included in the figures above.

3.2 Community Health and Adult Social Care

- 3.2.1 The Portfolio provides social care support to adults and carers across Oldham with a key aim of integrating and aligning the work with health partners to achieve greater efficiency in service delivery and better outcomes for the resident or patient. This covers both the commissioning and the provision of services. The following table shows the forecast position for the Portfolio at Quarter 3.

Table 4 –Community Health and Adult Social Care- Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Commissioning	22,232	21,822	-	(410)
Community Business Services	1,664	1,418	-	(246)
Community Health & Social Care	28,003	28,333	-	330
Director Adult Social Care	(8,916)	(15,900)	(27)	(7,011)
Learning Disability	12,149	14,622	-	2,473
Mental Health	7,847	8,410	-	563
Safeguarding	1,034	937	-	(97)
Adult Social Care - COVID 19	-	5,986	-	5,986
Total Forecast Net Expenditure	64,013	65,628	(27)	1,588

Summary

- 3.2.2 The pandemic is having a significant impact on the Portfolio, with a projected budget pressure of £1.588m, including a £0.027m use of reserves, which is a favourable variance of £8.644m to that reported at Month 8. The predominant factor contributing to the overspend is the COVID-19 related expenditure of £5.986m, there has however been a favourable movement of £2.686m compared to the Month 8 position. The two main contributing factors to the reduction in COVID costs are firstly a slower than anticipated transfer of costs back to the Council that have previously been funded by the NHS and an improvement in the amount of income that the Portfolio was estimating to have lost as a result of the pandemic. Adult Social Care is one of the services most affected by the virus and for this reason the financial forecasts may be subject to further revision.

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- 3.2.3 'Business as usual' variances have reduced by £0.058m against that reported at month 8 and were forecast to overspend by £1.502m. However, as explained previously, the CCG has contributed £5.900m to the cost of adult social care, bringing the overall 'business as usual' forecast to a surplus of £4.398m.

Commissioning & Community Business Services

- 3.2.4 Commissioning is forecasting an underspend of £0.410m due to a reduction in core payments made to Supported Living care providers in the independent care sector. This is considered to be a temporary position influenced not only by the effect COVID-19 has had on the client base but also the small increase of people becoming eligible for Continuing Health Care funding.

Community Business Services is forecasting a £0.246m underspend for the year due to vacant posts.

Community Health & Social Care

- 3.2.5 This area is forecasting an overspend of £0.330m, an adverse variance of £0.551m compared to that at month 8, as previously reported care costs for people with physical, sensory, memory and cognitive need continue to present financial challenges, commissions for rehabilitation and short stay packages for Physically Disabled clients are also now showing a predominant increase.

Director of Adult Social Care

- 3.2.6 The Director of Adult Social Care Service area is forecasting a favourable variance of £7.011m compared to £0.459m at month 8. The increase of £6.552m is due to the additional contribution from the CCG of £5.900m to support social care and also as a result of reduced and delayed expenditure in relation to community estates and preventative services. The remaining surplus is due to the uplift in the Better Care Fund allocation being consistent with previous years agreements.

Learning Disability

- 3.2.7 Learning Disability is forecasting an overspend of £2.473m compared to £2.411m at Month 8. Additional budget which has previously been re-aligned from Community Health and Social Care has, in part, helped to reduce the overspend within this area. The revised variance is related entirely to increases in care costs, both in terms of client numbers and to a greater extent the complexity of care and as previously reported the Transforming Care Programme which continues to present a considerable financial challenge.

Mental Health

- 3.2.8 Mental Health is forecasting an overspend of £0.563m. With the general population living longer and surviving other illnesses, the number of people developing dementia is increasing and therefore attracting the dementia premium when placed in care homes. A working group has been created to identify high cost and/or out of borough support which aims to optimise value for money when reviewing and procuring appropriate care packages.

Safeguarding

- 3.2.9 Safeguarding is reporting an underspend of £0.097m; a slight favourable variance to that reported at reported at Month 8.

Achievement of Budget Reductions

- 3.2.10 There is one Budget Reduction for the Portfolio in 2020/21; £0.150m relating to a review of Direct Payments. As previously mentioned, this is currently forecast to be unachievable as a result of COVID-19 and the impact of this is reflected in the information presented above.

Progress Against Locality Plans

- 3.2.11 A key element of the Health and Social Care devolution agenda is the submission of a Locality Plan setting out the joint vision of the Council and Oldham Clinical Commissioning Group (CCG) for the greatest and fastest possible improvement in the health and wellbeing of our residents by 2021. This improvement will be achieved by supporting people to be more in control of their lives by having a health and social care system that is geared towards wellbeing and the prevention of ill health; access to health services at home and in the community; and social care that works with health and voluntary services to support people to look after themselves and each other.
- 3.2.12 The financial performance against the latest version of the 2020/21 Locality Plan, as reported to the GM Health and Social Care Partnership, is shown in the table below:

Table 5 – Locality Plan

	Revised Budget £000	Forecast £000	Variance £000
Community Health and Adult Social Care	61,360	62,948	1,588
Public Health	18,114	17,958	(156)
Children and Families	41,550	49,317	7,767
Total	121,024	130,223	9,199

- 3.2.13 Although the headings in the Locality Plan do not completely align with the Council's Directorate reporting arrangements, the reasons for the variances against budget are consistent with those reported within Community Health and Adult Social Care, Public Health and Children's Social Care. This includes forecast overspends that are a result of additional activity due to COVID-19. At this stage this shows the gross cost before the allocation of a share of the Government grant that has been paid to compensate the Council for COVID-19.

3.3 Children's Services

- 3.3.1 The following table shows the forecast position after the approved and planned use of transfer to reserves for the Portfolio.

Table 6 – Children’s Services

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Children's Social Care	35,069	42,862	(26)	7,767
Education, Skills & Early Years	12,222	13,526	(562)	742
Preventative Services	3,526	3,533	(109)	(102)
Schools	(39)	(39)	-	-
Total Forecast Net Expenditure	50,778	59,882	(697)	8,407

Summary

3.3.2 The Portfolio has a projected overspend of £8.407m, a favourable movement of £0.444m compared to that at Month 8. The overspend includes costs of £5.130m that are related to the impact of COVID-19 and incorporates the use of reserves totalling £0.697m. The principal underlying reasons are detailed below.

Children’s Social Care

3.3.3 This area is projecting a £7.767m overspend, a favourable movement of £0.164m to that reported at Month 8. Closer working with the Children’s Commissioning Team has enabled the development of a more accurate reporting method to capture on-going variations to commissions and transfer of care packages. Of this overspend, £2.894m is due to anticipated cost relating to COVID-19, in the main relating to the provision of placements, particularly children placed outside of the borough, staffing costs and in-house residential care. The national trend for children’s placements shows increases in foster and residential costs resulting from factors including fewer placements ending when anticipated, increases in fee requests from providers and demand spikes following the re-opening of schools which has impacted on the number of safeguarding referrals. Further investigative work will be required to fully assess the financial implications of these factors in Oldham and to evaluate any longer-term financial impact. Unachievable savings of £1.660m are also a contributor to the overspend in 2020/21 and bring the estimated COVID related pressure to £4.554m.

3.3.4 There are other additional overspends included within the forecasts, firstly there are one off pressures in relation to restructuring costs and the anticipated loss of contractual income which account for £0.531m of the adverse variance.

3.3.5 There is a further forecast operational deficit of £2.682m as a result of increased costs again in the main relating to social care placements including Out of Borough and to a much lesser extent certain elements of staffing costs.

Education, Skills and Early Years

3.3.6 The Directorate is estimating a £0.742m overspend, this includes £0.576m of costs associated with COVID-19; the main contributing factors in relation to which are as follows:

- £0.91m - Home to School Transport; anticipated impact from September 2020 due to social distancing measures, reduced by financial assistance of £0.270m received from the GMCA.

- £0.260m - Out of Borough, half term opening costs related to COVID-19, SEN Home Tutoring and Lost Learning and Get Oldham Working
- £0.225m - Loss of Income; Service Level Agreement (SLA) income to the QEST service and Post16 parental fines

3.3.7 Further additional pressures in relation to 'business as usual' total £0.166m and are mainly due to staffing pressures across the Directorate.

Preventative Services

3.3.8 Preventative Services includes Early Help, Targeted Youth, Tackling Troubled Families and the Multi-Agency Safeguarding Hub (MASH), plus following a re-allocation of services, the Family Support service which has transferred from Children's Social Care, the Directorate is predicting an underspend of £0.102m for the year, there is a £0.109m use of reserves to support the activity of the MASH.

Achievement of Budget Reductions

3.3.9 The Budget Reductions for Children's Services are solely in relation to the Portfolio's target of achieving efficiencies, linked to previous allocated resources for a new operating model; £1.660m in total, all of which is currently forecast to be unachievable as a result of COVID-19 and is included as part of the overall pressure above.

3.4 Communities and Reform

3.4.1 The following table shows the forecast position for the Communities and Reform Portfolio after the approved and planned use of reserves and includes additional costs for COVID-19.

Table 7 – Communities and Reform

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
People	2,558	2,414	-	(144)
Public Health & HLA	23,827	24,011	(369)	(185)
Youth, Leisure & Communities	6,214	8,955	-	2,741
Transformation and Reform	938	1,136	(332)	(134)
Communications and Research	934	885	-	(49)
Policy	40	629	(569)	20
Strategy and Performance	864	645	-	(219)
Total Forecast Net Expenditure	35,375	38,675	(1,270)	2,030

3.4.2 The forecast outturn at Quarter 3 is an overspend of £2.030m compared to £2.077m at Month 8, a decrease of £0.047m. This is after the approved use of £1.270m reserves. COVID related pressures have increased by £0.163m and now stand at £3.125m. A favourable variance of £1.095m relates to 'Business as Usual' and is an improvement of £0.210m on the position reported at Month 8. The paragraphs below outline the main movements within the Portfolio.

3.4.3 Youth, Leisure and Communities is showing an overall overspend of £2.741m. The main driver being the Leisure Centre closures due to the COVID-19 pandemic

generating an overall pressure of £3.067m against the Leisure contract which is an increase of £0.695m from month 8 and reflects the impact of the third national lockdown. The Council has received confirmation of its successful bid for £0.532m grant (plus a subsequent £0.036m top up) from the National Leisure Recovery Fund, which is being administered by Sport England.

3.4.4 There are several lower value variances, as follows:

- People Services is showing a favourable variance of £0.144m which relates to income pressures against HR Advisory and Occupational Health and interim and exit payment costs which are offset by reduced license costs and vacant posts mainly in Organisational Development.
- Public Health and Heritage Libraries and Arts (HLA) are together showing a joint favourable variance of £0.185m. There are income pressures for the Music Service and Theatre Workshop due to COVID-19 and reduced service provision, which is offset with underspends on staffing and non-pay costs.
- Transformation and Reform is showing an underspend of £0.134m at Quarter 3
- Communications and Research is forecasting a small favourable variance of £0.049m.
- Policy is showing an overspend of £0.020m - there are pressures on income and supplies and services offset in part with vacant posts
- Strategy and Performance is showing an underspend of £0.219m at Quarter 3.

Achievement of Budget Reductions

3.4.5 There are no approved budget reductions in this area for 2020/21.

3.5 Commissioning

3.5.1 The table below shows the forecast position after the approved and planned use of reserves for the Portfolio.

Table 8 - Commissioning - Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Commissioning and Procurement	288	800	-	512
Finance	9,476	11,845	(2,047)	322
Total Forecast Net Expenditure	9,764	12,645	(2,047)	834

Summary

3.5.2 The forecast outturn position at Quarter 3 after a £2.047m use of reserves is an overspend of £0.834m, a small favourable variance to that reported at Month 8. A sum

of £1.176m of the adverse variance is attributable to the pandemic, leaving a 'business as usual' underspend of £0.342m.

Commissioning and Procurement

3.5.3 Commissioning and Procurement is reporting an overspend of £0.512m. The service is continuing to experience difficulties in recruiting to permanent posts, resulting in a more expensive temporary staffing solution costing an additional £0.235m above current budget levels. The service is also reporting a pressure of £0.277m against the Early Payment scheme which is in part due to Government guidance in response to COVID-19 in that suppliers move to immediate payment terms (£0.081m) and the remainder (£0.196m) relates to an existing budgetary pressure against the Early Payment Scheme income budget.

3.5.4 Finance is showing an overspend of £0.322m. The pressure in relation to summons cost recoveries has reduced to £0.896m at Quarter 3 due to COVID19. This is offset in part by vacancies in the Finance division and a forecast reduction in non-pay costs.

Achievement of Budget Reductions

3.5.5 The 2020/21 Budget Reductions for the Commissioning portfolio of £0.400m are forecast to be fully achieved.

3.6 Chief Executive

3.6.1 The table below shows the forecast position including additional cost associated with COVID-19.

Table 9 – Chief Executive

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Chief Executive	2,202	2,081	-	(121)
Chief Executive Management	1,648	1,558	-	(90)
Legal Services	3,275	3,233	-	(42)
Executive Office	588	555	-	(33)
Total Forecast Net Expenditure	7,713	7,427	-	(286)

Summary

3.6.2 The Portfolio is showing an underspend of £0.286m a favourable movement of £0.010m compared to the £0.276m underspend at Month 8, 'business as usual' underspends totalling £0.814m are offset by estimated pressures of £0.528m due to the impact of COVID-19.

Chief Executive

3.6.3 Chief Executive is reporting an underspend of £0.121m at Quarter 3. Additional mortuary costs due to COVID-19 are in part offset by a reduction in contributions to GMCA for regionally provided services and a reduction in costs for the Coroners Service in 2020/21.

Chief Executive Management

- 3.6.4 Chief Executive Management is reporting an underspend of £0.090m as at Quarter 3 which relates to a contribution from the NHS Test and Trace service.

Legal Services

- 3.6.5 The service is reporting an underspend of £0.042m at Quarter 3. There is an impact of COVID-19 with an anticipated reduction in income in Registrars and Land Charges and the recovery of court costs. There are staffing pressures due to COVID-19 as external expertise is required regarding contractual issues and to deal with the backlog of schools' admission appeals. This is in part being offset by an anticipated underspend within the Elections budget due to the postponement of the local election in May 2020.

Executive Office

- 3.6.6 The Service is reporting an underspend of £0.033m at Quarter 3.

Achievement of Budget Reductions

- 3.6.7 There are no Budget Reductions for the Chief Executive Portfolio in 2020/21.

3.7 Capital, Treasury and Corporate Accounting

- 3.7.1 The following table shows the forecast position, without the use of any reserves.

Table 10 – Capital, Treasury and Corporate Accounting – Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Capital, Treasury and Corporate Accounting	11,812	22,724	-	10,912
Total Forecast Net Expenditure	11,812	22,724	-	10,912

Summary

Capital, Treasury and Corporate Accounting

- 3.7.2 The Portfolio includes the budgets associated with the Council's Treasury Management activities including interest payable on loans and interest receivable on investments
- 3.7.3 The adverse variance within the Capital and Treasury service area is £10.912m; being £9.412m of COVID expenditure as a result of the anticipated loss of income from approved treasury management investments, increased by a further re-assessment of the extent to which capital receipts will be available to support transformation change as outlined in Section 9 of the report. There is a further 'business as usual' pressure of £1.500m, a £0.500m favourable business as usual variance arising from capital programme reprofiling, is offset by £2.000m of unbudgeted pension costs; £1.300m being a top up to the pension prepayment made at the start of the 2020/21 financial year and also £0.700m of pension strain costs mainly as a result of the recent Voluntary Redundancy programme (an invest to save initiative that is delivering recurrent budget reductions in 2021/22 and future years).

Housing Benefits

- 3.7.4 Included in the above is an anticipated overspend of £0.280m due to the temporary suspension of not recovering benefits overpayments as per Local Government Association (LGA) bulletin 6.4 as part of the Government's response to the COVID-19 outbreak.

Achievement of Budget Reductions

- 3.7.5 The 2020/21 Budget Reductions for Capital, Treasury and Corporate Accounting total £2.200m. Within this is £1.000m for Treasury Management which will not be achieved due to global pandemic and is included within the pressure noted above.

4 Other Grants/Contributions Received by the Council

- 4.1 Members will recall that in addition to the un-ringfenced grants highlighted in the report, including the COVID-19 funding which now totals £26.802m (£3.105m of which is in relation to SFC) that has already been or is scheduled to be received and which has increased the net revenue budget of the Council, the Government has also provided a range of mostly ringfenced grants. These total £21.588m and support the response to COVID-19 (unlike the other COVID grants, all rounds of Local Authority Support of Clinically Extremely Vulnerable Individuals are classed as un-ringfenced). Whilst the ringfenced grants are included in the budget, the increased expenditure is offset by grant within the relevant service area, so does not increase the net revenue budget.
- 4.2 Furthermore, the Council has, and continues to receive contributions from the NHS via Oldham CCG (as prescribed in NHS Guidance) to support Adult Social Care provision including hospital discharges to a social care setting, the full year projection for this funding is currently £10.419m.
- 4.3 A full list of the grants and contributions with a grand total of £58.809m, is attached as Appendix 3.
- 4.4 New COVID related ringfenced grants notified since the last report; also incorporated in Appendix 3 are as follows:

a) Adult Social Care Workforce Capacity Fund (£0.561m)

This grant is aimed at increasing staffing in the adult social care sector and can be allocated to:

- provide additional care staff where shortages arise
- support administrative tasks so experienced and skilled staff can focus on providing care
- help existing staff to take on additional hours if they wish with overtime payments or by covering childcare costs

b) Adult Social Care Rapid Testing Fund (£0.577m)

The main purpose of this funding is to support additional rapid testing of staff in care homes, and to support visiting professionals and enable indoors, close contact visiting where possible. There is 80% direct distribution (£0.462m) to care homes

allocated on a registered bed basis and 20% discretionary (£0.115m) element which can provide targeted support to care providers as required.

c) Contain Outbreak Management Fund (new funds of £2.844m)

Three further rounds of Contain Outbreak Management Fund grant in the sum of £0.948m per allocation (totalling £2.844m) have been received or notified for receipt before 31 March 2021. This funding will be utilised in accordance with the grant terms, but any unspent resources will be carried forward into 2021/22.

d) Community Champions Fund (£0.500m)

The Council has been successful in a bid for grant from the Community Champions Fund, which has been set up to support people shown to be most at risk from COVID-19 including those from an ethnic minority background, disabled people and others to follow safer behaviours and reduce the impact of the virus on themselves and those around them. The Council is ensuring this resource is targeted to maximise the benefit to Oldham.

e) National Leisure Recovery Fund (total funding of £0.568m)

The Council has been successful in a £0.532m bid to the National Leisure Recovery Fund which provides financial support to enable eligible public sector leisure centres to reopen to the public and has recently been notified of top up funding of £0.036m. The Council will use this grant to support leisure provision in the borough.

f) Test and Trace Support payments (total funding of £0.866m)

Two additional grant allocations have been received bringing the total to £0.866m, split between funding for mandatory payments of £500 in the event of a positive COVID test and eligibility criteria being met (a total of £0.549m), discretionary payments (a total of £0.224m) and support for administrative costs of operating the scheme, totalling £0.093m

g) Additional Dedicated Home to School and College Transport (total funding of £0.270m)

The Government has provided funding to the Greater Manchester Combined Authority /Transport for Greater Manchester (as the Local Transport Authority) to support transport to school or college for pupils of compulsory school age and students in 16-19 education (those aged 16-18 and those aged 19 if they are on a course they started before their 19th birthday). Oldham had previously been awarded £0.180m of grant to support the costs of additional transport provision for the two halves of the Autumn term. A further award of £0.090m has been provided to support costs during the Spring term 2021, bringing total funding to £0.270m

h) COVID Winter Grant (£0.338m)

The Government has announced a further round of COVID Winter Grant funding which will enable the Council to provide support over the Easter Holiday period. It is important to note that in order to support Easter initiatives, the expenditure will

be incurred in 2020/21 but the grant funding will not be received until 2021/22. Hence the grant is not included in the 2020/21 schedule of grants at Appendix 1.

4.5 Unringfenced grants received since the last report are as follows:

- a) Local Authority Support for Clinically Extremely Vulnerable (CEV) Individuals- allocation 2, 3 and 4 (£0.516m)

A second round of grant funding of £0.140m has been received so that the Council can provide support to CEV individuals who, since the third national lockdown was introduced, have been advised to take extra shielding measures to protect themselves. A further two rounds of grant at £0.188m each have also been notified. Although these are unringfenced grants, the Government expects the Council to utilise the grant in accordance with the Government's Shielding Framework. This grant allocation is presented within the COVID grants at Appendix 3 and also, given its un-ringfenced nature, on Appendix 2 as it increases the net revenue budget of the Council.

- b) New Burdens funding of £0.039m to support the additional administrative costs associated with the new grant initiatives the Government requires the Council to implement
- c) A sum of £0.006k to compensate the Council for the costs of providing a Council Tax discount to properties that have an Annex to the family home that is classed separately for Council Tax purposes.
- d) A sum of £2.016m of Additional Restrictions Support Grant as explained at 4.9(g).

Grant Support for Businesses – Small Business, Retail, Leisure, Hospitality and Discretionary Grants

4.6 Members will also recall that Cabinet on 23 April was advised that the Council had been awarded grant funding of £54.738m to provide support for small businesses and those in the retail, hospitality and leisure sectors in the form of two grant funding schemes, the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RLHGF). The Government subsequently announced that this funding allocation would also provide Discretionary Grant support for those businesses not qualifying for the other categories of grant.

4.7 The funding had been ringfenced but in accordance with accounting guidance, because the Council was acting as an agent in the administration of the SBGF and RLHGF grant regimes, these payments were to be netted off the grant received and are not required to be shown gross in the budget. The Local Authority Discretionary Grants Fund is required to be included in the 2020/21 revenue budget as additional external funding matched by expenditure.

4.8 The grant schemes closed on 28 August and all final payments have been made and a full reconciliation undertaken. Government was notified in accordance with the deadline of 30 October that in total payments of £47.845m were made under the SBGF and RLHGF grant regimes to 4,232 businesses and £2.501m (the maximum allowable) of discretionary grants paid to 267 businesses. The Council's net budget has been increased by £2.501m to reflect the finalised payment of Discretionary Grants. The

Council has now repaid the Government £4.392m representing the excess of grant received over that paid out. The total payments made to businesses in this initial round of funding is therefore £50.346m. Further details are provided at Appendix 4.

Grant Support for Businesses - Local Restrictions Support Grant (LRSG) and Additional Restrictions Grant (ARG)

- 4.9 Previous reports have advised of the range of Government grants which the Council is administering that have been put in place to support businesses that have been legally required to close due to the restrictions in place to manage coronavirus. The notifications received since the last report are as follows with the full list at Appendix 3.
- a) Local Restrictions Support Grant (Closed) Addendum – Tier 4 at £0.699m - grants payable under this scheme are to businesses required to close as a result of the Tier 4 restrictions which ran from 31 December to 4 January. Paid on a pro rata basis this supports businesses as follows:
- Businesses with a rateable value of exactly £15,000 or less will receive a payment of £667 per 14 day qualifying period i.e. £238.21
 - Businesses with a rateable value over £15,000 and less than £51,000 will receive a payment of £1,000 per 14 day qualifying period i.e. 357.14
 - Businesses with a rateable value of exactly £51,000 or above will receive a payment of £1,500 per 14 day qualifying period i.e. £535.71
- b) Local Restrictions Support Grant (Closed) Addendum at £5.276m – grants payable under this scheme are to businesses required to close as a result of the third national lockdown. The grant payments to eligible businesses cover the period 5 January to 15 February 2021 (42 days). The following thresholds apply:
- Businesses with a rateable value of exactly £15,000 or less will receive a payment of £2,001
 - Businesses with a rateable value over £15,000 and less than £51,000 will receive a payment of £3,000
 - Businesses with a rateable value of exactly £51,000 or above will receive a payment of £4,500.
- c) Local Restrictions Support Grant (Closed) Addendum at £5.527m – grants payable under this scheme are to businesses required to close as a result of the third national lockdown. The grant payments to eligible businesses cover the period 16 February to 31 March 2021 (44 days). The following thresholds apply:
- Businesses with a rateable value of exactly £15,000 or less will receive a payment of £2,096
 - Businesses with a rateable value over £15,000 and less than £51,000 will receive a payment of £3,143
 - Businesses with a rateable value of exactly £51,000 or above will receive a payment of £4,714
- d) Additional Christmas Support Payment grant for “wet led” pubs to enable a £0.001m grant to qualifying pubs, for which a further £0.102m has been received from Government.

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- e) Local Restrictions Support Grant (Open) to fund discretionary payments to businesses that have suffered losses during the period from 17 December to 30 December 2020 for which a grant reduction of £0.004m has been notified. A sum of £0.025m has been received rather than the £0.029m initially notified.
- f) Local Restrictions Support Grant: Closed Business Lockdown Payment - for which grant of £10.548m has been received. This supports businesses with a one-off cash grant as follows:
- Businesses with a rateable value of exactly £15,000 or less will receive a payment of £4,000
 - Businesses with a rateable value over £15,000 and less than £51,000 will receive a payment of £6,000
 - Businesses with a rateable value of exactly £51,000 or above will receive a payment of £9,000
- g) Additional Restrictions Grant (ARG); round 2 at £2.016m – this grant regime is to support businesses impacted by COVID-19 and there is flexibility as to its use. The grant payments to eligible businesses reflect the discretionary nature of the scheme.

4.10 To date, the Council had received £28.520m in grant directly from the Government to support businesses under the Local Restrictions Support Grant regime, with an additional £7.123m received via the GMCA for the Additional Restrictions Grant, as outlined in Appendix 4.

4.11 More funding may follow, in relation to top-up funding for some of the above grants and in the form of new grants. The Council is and will adhere to the detailed guidance issued by Government in the administration of these grant regimes and is developing its approach to the two discretionary schemes.

5 Schools

5.1 The Council's expenditure on schools is funded primarily by grant provided by the Department for Education, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools' Budget, as defined in the School Finance (England) Regulations 2020. The Schools' Budget includes elements for a range of educational services provided on an Authority wide basis and for the Individual Schools Budget which is divided into a budget share for each maintained school.

5.2 Members will recall the DSG is made up of the following 4 blocks of funding as follows;

- Schools
- High Needs
- Early Years
- Central Schools Services

5.3 Members will also recall that there is considerable pressure on the DSG, particularly the High Needs block. The pressure in the High Needs area is due to expenditure exceeding the High Needs budget available each year with key contributors being the:

- Increasing high needs population, such as special school places, resourced provision and post 16 Further Education provision.
- Increasing number of Education Health Care Plans requiring high needs top up funding within mainstream schools
- Cost of providing local Pupil Referral Unit capacity to ensure that the Local Authority fulfils its statutory role.
- High cost of external placements

The Schools Forum has historically agreed transfers between Schools Block and High Needs Blocks in 2018/19 (1%) and 2019/20 (0.84%). A further 0.5% has been agreed for the current financial year (£1.009m). At the Schools Forum meeting in November members agreed a further 0.5% movement for 2021/22. The amount for 2021/22 is £1.049m

- 5.4 The position remains as reported at month 8; with the continued support from the Schools Block, the High Needs Block has an in-year deficit of £0.464m. This contributes to a cumulative deficit forecast of £15.343m as at 31 March 2021. The deficit is offset by cumulative virements and savings from the Schools and Early Years Blocks to leave a net deficit of £5.380m (as illustrated in the table below). This in turn is a significant element of the overall deficit on the DSG.

Table 12 – DSG High Needs Block

DSG Key Issues	£000
Original Budget Allocation including adjustment for imports/exports	39,190
Contribution from Schools Block (Schools Forum approval)	1,009
2020/21 Total Budget Available	40,199
Estimated Expenditure	(40,663)
Projected in Year Deficit	(464)
Deficit Brought Forward 01/04/2020	(14,879)
Cumulative Deficit	(15,343)
Offset by;	
- Virement from Schools Block- 2016/17 to 2019/20	6,237
- Savings in Schools and Early Years Block- 2015/16 to 2019/20	3,726
Projected Deficit 31/03/2021	(5,380)

Overall DSG Position and Recovery Plan

- 5.5 There is a requirement that the DSG is brought back into balance and a DSG Financial Recovery Plan was submitted to the Department for Education in 2019. As previously reported to Members the financial elements of the recovery plan have been continuously updated to take account of estimated additional cost pressures, formal notification of additional funding and the agreed funding methodology for 2020/21 (including the reduced 0.5% transfer of DSG funding between the Schools and the High Needs Funding Blocks for 2020/21) that was approved by Cabinet on 16 December 2019.

- 5.6 In addition, as previously advised, a report was presented to Schools Forum on 18 November 2020 providing an update in relation to the DSG highlighting the outcome of the school's consultation on the funding formula for 2021/22. The report included a recommended 0.5% transfer from the Schools Block to the High Needs Block of £1.049m which was subsequently agreed by Cabinet on 14 December 2020.
- 5.7 A further report was presented to Schools Forum on 13 January 2021 providing a further update in relation to the DSG. The DSG recovery plan has been updated accordingly to take account of the most recent funding announcements, the latest expenditure predictions and their impact on the projections from the current financial year through to 2023/24. The table below shows the latest Recovery Plan, which has not changed from month 8 and illustrates that with the increased funding anticipated and the planned actions to address new operating arrangements to generate efficiencies, the DSG should be brought into a position where there is a small surplus in 2023/24.

Table 13 - Overall DSG Position

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Opening Balance - Surplus/(Deficit)	(4,916)	(4,559)	(3,548)	(1,879)
Movements per original plan	1,048	5,081		
Original Forecast Variance	(3,868)	522	(3,548)	(1,879)
Estimated Adjustments including Additional (Pressures)/ Savings	(691)	(4,268)	185	123
Estimated Savings Out of Borough	0		286	928
Additional High Needs Funding	0		1,000	1,000
Estimated adjustment re imports/exports	0	198	198	198
0.5% Movement Agreed by Schools Forum				
Revised Net Forecast (Deficit)/Surplus	(4,559)	(3,548)	(1,879)	370

- 5.8 The new 2020 Regulations mean that there will no longer be an automatic 1% trigger for the production of a DSG deficit recovery plan, instead the DfE will focus on those Authorities requiring help through a more measured and targeted approach. As the current recovery plan has been agreed with the Schools Forum, and it is appropriate to present information in this format at this time. It is proposed that the Authority will continue to use the recovery plan arrangements as an effective means of monitoring the DSG position and returning the deficit to a surplus and will continue to liaise with the Schools Forum accordingly.

6 Housing Revenue Account (HRA)

- 6.1 The current HRA position is presented in Table 14 and compares the initially approved HRA position to the current estimated outturn. The actual closing balance for 2019/20 at £21.795m was £0.045m better than the estimate of £21.750m. The original HRA forecast was for a planned in-year decrease in balances of £3.520m, mainly to support housing related expenditure in the Capital Programme.
- 6.2 The current forecast, unchanged from month 8 is for a reduced in year deficit of £2.181m, a net favourable movement of £1.339m. The variance is attributable to the

reprofiling of several capital projects, which is partially offset by additional anticipated expenditure on dwellings for the disabled and other essential adaptations and increased contributions to General Fund activity.

Table 14 - Housing Revenue Account Forecast Position

HRA Income & Expenditure Account	Original Budget £000	Latest Forecast £000	Variance to Budget £000
HRA Balances Brought forward	(21,750)	(21,795)	(45)
Deficit on HRA Services	3,520	2,181	(1,339)
HRA Balances Carried Forward	(18,230)	(19,614)	(1,384)

7 Collection Fund

7.1 The tables below show the forecast outturn position for the Collection Fund and the forecast position in relation to the share of balances.

Table 15 - Collection Fund Forecast Position

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Balance Brought Forward	(185)	(3,112)	(3,297)
Surplus Released In Year	410	1,060	1,470
Prior Year Balance Carried Forward	225	(2,052)	(1,827)
(Surplus)/ Deficit for the Year	3,278	29,288	32,566
Additional Section 31 Grant **	0	(25,456)	(25,456)
Net (Surplus)/Deficit for the Year	3,278	3,832	7,110
Collection Fund Balance pre-2020/21 3-year Deficit Spread	3,503	1,780	5,283

**Compensatory Section 31 Grant as referred to at Section 2.1.3

Table 16 - Collection Fund – 2021/22 Share of Balances; Forecast Position

Collection Fund Balance	Council Tax £000	NDR £000	Total £000	2/3 Spread of Deficit	Share of C/fwd. Surplus	21/22 Net Total
Share - Oldham Council	2,783	3,794	6,577	(4,385)	(1,839)	353
Share – Greater Manchester Combined Authority Mayoral Police and Crime Commissioner	344	-	344	(229)	24	139
Share – Greater Manchester Combined Authority Mayoral General Precept (including Fire Services)	151	38	189	(126)	(10)	53
Total (Surplus)/Deficit	3,278	3,832	7,110	(4,740)	(1,825)	545

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- 7.2 Council Tax and Business Rates remain a significant source of funding for Council services. However, these areas can be volatile, particularly for the 2020/21 financial year with the impact of COVID-19, as such the financial position of the Collection Fund is under constant review. In recent months it has become apparent that it is not only reduced collection rates that are affecting the Council's Collection Fund balances but also the increased amount of reliefs given thus reducing the overall tax base. This has been most evident in relation to Council Tax with an increased number of individuals becoming eligible for the Council Tax Reduction Scheme and subsequently benefitting from the £150 bill discount as made available by the Government through the award of the COVID-19 Hardship Fund Grant.
- 7.3 The Greater Manchester 100% Business Rates Retention Pilot has continued into 2020/21. Unlike previous years, as a direct result of the coronavirus pandemic there are no anticipated benefits of the pilot in 2020/21.
- 7.4 After discounting the Business Rates loss due to the extension of 100% reliefs to retail, hospitality, leisure and nursery businesses which will be fully compensated by Government grant, the forecast Collection Fund in-year deficit of £7.110m is unchanged from the position reported at month 8.
- 7.5 The November 2020 Spending Review advised that there would be grant compensation for 75% irrecoverable Collection Fund losses incurred in 2020/21. This was confirmed together with information on the arrangement for the compensation in the Final Local Government Finance Settlement. This grant will be paid to the General Fund rather than the Collection Fund and, as outlined earlier at 2.1.3 (b), a prudent estimate of the Local Tax Income Guarantee Grant of £1.000m is anticipated. As the Collection Fund loss will not impact on the finances of the Council until 2021/22, the £1.000m will be carried forward as a reserve and used to support the 2021/22 budget
- 7.6 The Government has recently passed legislation that allows Councils to spread the deficit of the Collection Fund over three years. This has been applied to both Council Tax and non-domestic rates. This will mean that 2020/21 Collection Fund deficits will still be recovered but allowing the longer time frame reduces the impact on the 2021/22 budget setting process. This spreading of the deficit has produced a charge of £0.353m which will impact on the 2021/22 Council budget

8 Use of Reserves

- 8.1 Members will recall that at the Council budget meeting of 26 February 2020, it was agreed that Earmarked Reserves of £10.008m be used to support the 2020/21 budget.
- 8.2 At the end of the 2019/20 financial year, funding was received from Central Government to support the Council in its response to COVID-19. This funding was at a value of £7.641m. Due to the timing of the receipt of these funds, it was deemed appropriate to hold these resources in a specific Earmarked Reserve to fund the additional expenditure to be incurred in 2020/21 in this regard. Hence this reserve is required to underpin the budget in 2020/21.
- 8.3 Within the Council's approved Reserves Policy for 2019/20 to 2020/21 are details regarding the requirements for a specific Earmarked Reserve to hold any Business Rates gains that have been generated through the Business Rates Retention Pilot and that are required to be transferred to the GMCA. For 2020/21, the amount to be

passported to GMCA is £2.047m. The Business Rates Retention Piloting agreement requires the Council to pay the GMCA the £2.047m in 2020/21 as approved in the month 3 monitoring report.

- 8.4 As outlined at section 2.1.3 (a), a further £25.456m is to be transferred to reserves. This is additional Section 31 Grant Funding paid to the Council's General Fund in 2020/21 and having been transferred to reserves will be released to reimburse the corresponding element of the Collection Fund deficit in 2021/22. A further £1.000m representing the anticipated Section 31 grant for irrecoverable 2020/21 Collection Fund losses (Local Tax Income Guarantee Grant) will also be transferred to reserves and will be used to support the 2021/22 budget to align with the impact of the Collection Fund losses. Discussions have so far confirmed that given the financial pressures being faced by the Council in relation to Adult Social Care, Oldham CCG will support the Council with a contribution towards such costs reflecting the partnership between the organisations. This is being managed via the Section 75 Pooled Funding Agreement which has been established between the Council and the CCG. This £5.900m resource will therefore offset the costs of Adult Social Care spending in 2021/21 and reduce the previously reported variance. There are discussions with the CCG to determine whether further NHS support can be provided to the Oldham health and care system which may lead to increases of reserves at the end of 2020/21. Such reserves would be used to support the health and social care system in 2021/22.
- 8.5 Previous monitoring reports have incorporated a net Service use of reserves totalling £2.229m; being £2.313m released from reserves netted down by a £0.084m transfer back into reserves.
- 8.6 The current report includes an adjustment of £0.025m to the previously requested amount of £0.190m drawn down against the Oldham Model Reserve to reflect the deferral of the Strengths Based Approach model. The Service requests for actual drawdowns therefore total £2.288m at Quarter 3.
- 8.7 Therefore, the total planned use of reserves as at Quarter 3 is £11.976m (excluding the £25.456m, £0.084m, £1.000m transfers to reserves). When this is added to the £10.008m which underpins the 2020/21 budget, earmarked reserves of £21.392m and £0.591m of Revenue Grant Reserves (a total of £21.983m) have already been applied and requested in this financial year. The 2019/20 accounts were closed with £79.360m of Earmarked Reserves and £7.934m of Revenue Grant Reserves. Assuming new requests are approved, current levels (excluding the £26.540m total transfer to reserves) are £57.968m and £7.343m although there are some commitments against the reserves.
- 8.8 In line with the Council's reserves policy, the recommended use of reserves to fund spend during the year have been initially approved by the appropriate officers prior to consideration by Cabinet. However, as there is a need to minimise the use of reserves in order to support the financial resilience of the Council, only those reserves supporting essential business will be utilised this year.
- 8.9 The availability of reserves is a demonstration of the financial resilience of the Council and as such the reserves must be carefully managed. However, the use of reserves is also a means by which the Council can support the 2021/22 budget setting process and Medium-Term Financial Strategy. Therefore, a reprioritisation of reserves has been undertaken and this has identified a total of £28.000m of existing reserves plus the £1.000m related to irrecoverable Collection Fund losses that are available to

support the 2021/22 and future years budgets. In total therefore, it is planned to use £29.000m of reserves to support the budget setting process over the life of the Medium-Term Financial Strategy, 2021/22 to 2023/24.

9 Flexible Use of Capital Receipts

- 9.1 Members will recall that at the Council meeting of 26 February 2020, it was approved that up to £3.750m of capital receipts would be used to underpin the revenue budget in line with the flexibilities agreed by Secretary of State for Housing, Communities and Local Government in March 2016.
- 9.2 A number of schemes in support of the transformation programme were identified which met the qualifying expenditure requirements as detailed within the statutory guidance issued by the MHCLG. Following a further review, it is now estimated that only £2.320m of capital receipts will be available within the current financial year, therefore £1.430m of the anticipated transformational work cannot be financed in-year by the anticipated means. The position is and will continue to be closely monitored for the remainder of the year and may therefore change again.

10 Conclusion

- 10.1 The current projected position, after adjustment for reserves and receipt of additional Government funding to support COVID pressures and additional financial support for social care from Oldham CCG, is for the first time showing an underspend. This is largely as a result of the receipt of one-off refunds and contributions from external partners but also from a reduction in the forecast COVID expenditure within Community Health and Adult Social Care. Despite the significant favourable movement, the non-COVID related pressures within Community Health and Adult Social Care and the Children's Services Portfolios are still a cause for concern. As outlined in Section 2, management action has been taken to control expenditure in all areas (particularly those that are not subject to demand changes), in order to offset expenditure over which the Council has little control; especially in attempting to mitigate the impact of COVID-19 on the day to day operations of the Council.
- 10.2 Although this is the final formal monitoring report it is anticipated that by the year end the financial position will reflect the outcome of such management activities and will potentially show a further improved final outturn position for 2020/21. The Director of Finance has put in place appropriate measures to attempt to reduce the impact of the overspend which include detailed reviews of all revenue and capital budgets.
- 10.3 In relation to demand led pressures; work, in the form of mitigations and alternative delivery solutions will continue, there will, however, be an inevitable lead in time for these benefits to be realised. The implications arising from the 2020/21 in year position have been factored into financial planning estimates for 2021/22 and future years as appropriate.
- 10.4 As demonstrated throughout the report, the Council has attributed the deficit between COVID and 'business as usual' activities, there will however be a COVID legacy where certain of those costs, including those currently being reimbursed by the NHS, will remain in the cost base of the Authority for a number of years. Estimates of these costs are reflected in the approved 2021/22 revenue budget.

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- 10.5 Members should note that if there are any unaddressed in-year pressures, they will have to be balanced by the use of reserves. At this stage, particularly given the current forecast position, this is now considered unlikely and based on the latest financial projection, the Council holds sufficient levels of reserves to address any financial shortfall in 2020/21 although any utilisation of reserves in 2020/21 will reduce the Council's financial resilience. Should there be a significant reduction in reserves, it would also limit the ability of the Council to support the implementation of programmes of service transformation and the setting of future years' budgets. Much therefore hinges on the course of the pandemic, the response the Council is required to instigate, and any further support received from Central Government and partner agencies.

Planned Use of Reserves to 31 December 2020 - Quarter 3

Reserve Name	Balance as at 01 April 2020	Forecast use/ creation of reserves 2020/21 - up to Mth 8	Forecast use / creation of reserves 2020/21 - Quarter 3	Anticipated Closing Balance 31 March 2021	Reason for Use of Reserve
	£000	£000	£000	£000	
Earmarked Reserves					
Integrated Working Reserve					
GMSF/Local Plan	(200)	200		0	To fund the Local Plan and GM Spatial Framework in order to deliver the Local Plan and ensure that Oldham feeds into GM Spatial Planning
Strategic Planning and Information	(40)	40		0	The reserve is to support delivery of the Greater Manchester Spatial Framework (GMSF) and review of Oldham's Local Plan
Devolution	(140)	20		(120)	To support the Devolution agenda
The Oldham Model	(555)	190	(25)	(390)	To fund the Strengths Based Approach Model
Directorate Reserves					
Homelessness	(188)	35		(153)	The Council is committed to support the Mayor of Greater Manchester and the "A Bed Every Night" project to end rough sleeping across the county and is now up to phase 3 of the project. This reserve will support the programme in 2020/21
Council Initiatives Reserve					
Learning & Attainment Reserve	(605)	250		(355)	To fund the Oldham Education and Skills commission over a four year period
Northern Roots	(475)	475		0	To support delivery of the Northern Roots project as approved by Cabinet on 28 January 2019
Corporate Plan Priorities	(260)	76		(184)	This funding will support the Wrigley Head Solar Panel Project in this financial year
Transformation Reserve					
Transformation Reserve	(2,421)	163		(2,258)	Cultural Strategy
DSG Recovery Plan	(1,000)	245		(755)	SEND Annual Review Team
Social Care Budget Reserve	(455)	27		(428)	To provide resources to fund the MOSAIC Business Analyst post within 2020/21 and support the MOSAIC programme of works
Fiscal Mitigation					
COVID-19	(10,000)	7,641		(2,359)	This funding was provided by Government to support Local Authorities with additional costs incurred as part of the COVID-19
Business Rates	(2,617)	2,047		(570)	Detailed within the Reserves Policy for 2019/20 to 2020/21 is the requirement to transfer an element of the Business Rates gains across to the GMCA as part of the Business Rates Retention pilot agreement. The amount to be transferred across in 2020/21 which relates to 2019/20 is £2.047m
Sub Total	(18,955)	11,409	(25)	(7,571)	
Balancing Budget Reserve					
Corporate Reserve to balance budget	(4,182)	4,182		0	
Waste Levy Refund 2019/20	(3,113)	3,113		0	As agreed by Council on 26 February 2020, £10.008m of Earmarked Reserves are required to support the 2020/21 budget
2019/20 Business Rates Pilot Scheme Gain	(1,413)	1,413		0	
Business Rates Retention Returned Funding	(1,300)	1,300		0	
Sub Total Balancing Budget Reserve	(10,008)	10,008	0	0	
Total Planned use of Earmarked Reserves 2020/21	(28,963)	21,417	(25)	(7,571)	
Planned Increase / Creation of Earmarked Reserves					
Mercury Emissions	0	(84)		(84)	The transfer of a contribution made by via each cremation for the purchase of new Mercury abatement equipment
Business Rates - Collection Fund Deficit Compensation	0	(25,456)		(25,456)	This transfer to reserves reflects the payment of additional Section 31 Grant Funding of £25.456m for the extension of 100% business rates reliefs to retail, hospitality leisure and nursery businesses. It is paid to the in to the Council's General Fund in 2020/21 and will be transferred to reserves and released in 2021/22 to reimburse the corresponding element of the Collection Fund deficit in 2021/22
Collection Fund Irrecoverable Losses - S31 Grant Compensation	0	(1,000)		(1,000)	Anticipated S31 Grant compensation for irrecoverable Collection Fund Losses - transfer to reserve to support the 2021/22 Budget
Total Planned Increase / Creation of Earmarked Reserves 2020/21	0	(26,540)	0	(26,540)	
NET Use/Increase of Earmarked Reserves	(28,963)	(5,123)	(25)	(34,111)	
Revenue Grant Reserves					
Well North Growing Oldham Feeding Ambition	(339)	339		0	To continue the Growing Oldham Feeding Ambition project in 2020/21
Communication, Speech and Language	(67)	67		(0)	To fund the Communication, Speech and Language Campaign
Thriving Communities	(252)	51		(201)	To support the Northern Roots Project
Tackling Troubled Families	(1,291)	55		(1,236)	To fund staffing support for the multi agency safeguarding hub
Reform Investment Funding	(2,035)	39		(1,996)	To fund additional temporary capacity to support the integration of the MASH team across Children's Social Care and Early Help
Children's Social Care and Accreditation System	(93)	25		(68)	To fund the costs associated with delivering the National Assessment and Accreditation System (NASS) for children's social workers
GMCA Targeted Children's Review	(353)	15		(338)	The reserve relates to adopting and adapting the Stockport Team Around the Family model. This is part of the wider development of the Council's approach to Early Help. The use of this reserve for 2020/21 will provide staffing resource to support this programme
Total Planned use of Revenue Grant Reserves 2020/21	(4,430)	591	0	(3,839)	
NET Use/Increase of Reserves Earmarked and Grant Reserves	(33,393)	(4,532)	(25)	(37,950)	
Represented by:					
Increase to Reserves	0	(26,540)	(25)	(26,565)	
Total Use of / change to Earmarked and Revenue Grant Reserves	(33,393)	22,008	0	(11,385)	Use of a total of £21.983m of reserves in 2020/21 (£22.008m offset by £0.025m returned reserves). Movement of £26.540m to reserves (£25.456m to address the Collection Fund shortfall in 2021/22, £1.000m or irrecoverable Collection Fund losses and £0.84m mercury emissions)

Appendix 2				
FINANCING OF THE 2020/21 BUDGET AT QUARTER 3	Original Budget	Prior Months	Additions to Quarter 3	Revised Budget
	£'000	£'000	£'000	£'000
Net Expenditure Budget	(233,524)			(233,524)
Financed by:				
Business Rates Top-up Grant	(41,048)	(606)		(41,654)
Grants in Lieu of Business Rates	(11,230)	(25,459)		(36,689)
Improved Better Care Fund Grant	(10,858)			(10,858)
Independent Living Fund Grant	(2,580)			(2,580)
Adult Social Care Support Grant	(6,954)			(6,954)
Opportunity Area Grant (Year 4)		(1,580)		(1,580)
Housing Benefit & Council Tax Administration Grant	(1,138)			(1,138)
New Homes Bonus Grant	(598)			(598)
Flexible Homelessness Support Grant	(194)			(194)
Homeless Reduction Grant	(164)			(164)
Rough Sleeping Initiative Grant	(37)			(37)
Lead Local Flood authority grant	(12)			(12)
Department for Works and Pensions (DWP) New Burdens	(122)			(122)
Verify earnings and Pensions service		(30)		(30)
School Improvement Monitoring & Brokerage Grant		(259)		(259)
Capital grants		(2,459)	(1,261)	(3,720)
Extended rights to Free Travel		(38)		(38)
Transport Grant		(9)		(9)
SEND Regional Co-ordinator		(24)		(24)
New Burdens Funding - Business Grants Round 1		(170)		(170)
New Burdens Funding - Business Grants Round 2		(76)	(39)	(115)
Local Housing Allowance Changes		(2)		(2)
Local Reform and Community Voices		(161)		(161)
War Pensions Disregard		(45)		(45)
Local Authority Emergency Assistance Grant		(361)		(361)
COVID-19 Tranche 2		(6,531)		(6,531)
COVID-19 Tranche 3		(2,466)		(2,466)
COVID-19 Tranche 4		(6,058)		(6,058)
COVID-19 Sales, Fees and Charges Grant		(2,206)		(2,206)
COVID-19 Discretionary Grants - Round 1		(2,502)		(2,502)
COVID-19 Local Restrictions Support Grant (Open) - to December		(1,884)		(1,884)
COVID-19 Local Restrictions Support Grant (Open) - December		(61)		(61)
COVID-19 Additional Support Grant		(5,017)	(2,106)	(7,123)
Wellbeing for Education Return		(38)		(38)
Staying Put Grant		(116)		(116)
External Personal Adviser Duty Implementation Grant		(8)		(8)
Support to Clinically Extremely Vulnerable (CEV) Individuals		(144)	(516)	(660)
Council Tax Relief for Annexes			(6)	(6)
S31 Grant Compensation - Irrecoverable Collection Fund Losses		(1,000)		(1,000)
Total Government Grant Funding	(74,935)	(59,310)	(3,928)	(138,173)
Council Tax Income - General	(88,078)			(88,078)
Council Tax Income - Adult Social Care Precept	(8,679)			(8,679)
Collection Fund Surplus	(1,400)			(1,400)
Retained Business Rates	(50,424)			(50,424)
Total Locally Generated Income	(148,581)			(148,581)
Total Grant and Income	(223,516)	(59,310)	(3,928)	(286,754)
Balance to be addressed by Use of Reserves	(10,008)			(10,008)
Total Financing	(233,524)	(59,310)	(3,928)	(296,762)

Appendix 3- General Grants in Support of COVID-19		
Unringfenced COVID-19 Grant Received/ Claimed from the Ministry of Housing, Communities and Local Government (MHCLG)	£	£
MHCLG Grant - Tranche 1 (received in 2019/20 and carried forward as a reserve)	7,641,407	
MHCLG Grant - Tranche 2	6,531,353	
MHCLG Grant - Tranche 3	2,465,938	
MHCLG Grant - Tranche 4	6,058,246	
Sales, Fees and Charges Compensation Round 1	1,281,413	
Sales, Fees and Charges Compensation Round 2	924,000	
Total MHCLG Unringfenced Grant - Received / Claimed		24,902,357
Unringfenced COVID-19 Grant Anticipated from the MHCLG	£	£
Sales, Fees and Charges Compensation Round 3	900,000	
Local Tax Income Guarantee	1,000,000	
Total MHCLG Unringfenced Grant - Anticipated		1,900,000
COVID Grant Received from the various Government Departments	£	£
Hardship Fund Grant	3,015,434	
Infection Control Grant - Round 1	2,316,598	
Infection Control Grant - Round 2	2,275,868	
Local Authority Test and Trace Service Support Grant	1,560,230	
Local Authority Emergency Assistance Grant for Food and Essential Supplies	361,208	
Coronavirus (COVID-19) Rough Sleepers Contingency	1,650	
Reopening High Streets Safely Fund	210,417	
Local Authority Support for Clinically Extremely Vulnerable (CEV) Individuals - allocation 1	144,029	
Local Authority Support for CEV Individuals - allocation 2	140,659	
Local Authority Support for CEV Individuals - allocation 3	187,850	
Local Authority Support for CEV Individuals - allocation 4	187,850	
Enhanced Response to COVID Grant	300,000	
Next Steps Accommodation Programme	147,114	
Local Authority Compliance and Enforcement Grant	154,705	
Test and Trace Support Payments		
- Mandatory Payments	549,500	
- Discretionary Payments	224,000	
- Administration Costs	92,601	
Additional Dedicated Home to School and College Transport Grant	270,000	
COVID Winter Grant Scheme	974,689	
Holiday Activities and Food Programme	136,290	
Adult Social Care Workforce Capacity Fund	561,177	
Adult Social Care Rapid Testing Fund	577,264	
Contain Outbreak Management Fund Round 1	1,896,880	
Contain Outbreak Management Fund Round 2	948,440	
Contain Outbreak Management Fund Additional Tier 3 Funding	440,347	
Contain Outbreak Management Fund Round 3	948,440	
Contain Outbreak Management Fund Round 4	948,440	
Contain Outbreak Management Fund Round 5	948,440	
Community Champions Fund	500,000	
National Leisure Recovery Fund	567,930	
Total COVID-19 Related Unringfenced Government Grant		21,588,050
COVID-19 Related Support Received from the NHS		£
Full Year Projection of Contributions from the NHS via Oldham CCG following NHS Guidance to support Adult Social Care provision including hospital discharges to a social care setting		10,419,000
TOTAL GOVERNMENT GRANT RECEIVED TO SUPPORT THE RESPONSE TO COVID-19		58,809,407

Appendix 4- Business Grant Support Received From Central Government

No.	Business Grants - Initial Round	Grant Awarded to Businesses £	Total £
1	Small Business, Retail, Leisure and Hospitality Grant - Eligibility 11 March to 28 August 2020	47,845,000	
2	Discretionary Grants - Eligibility 11 March to 28 August 2020	2,500,750	
	TOTAL PAYMENTS MADE TO BUSINESSES - INITIAL ROUND		50,345,750

No.	Local Restrictions Support Grant- Funding Received	Grant Allocation £	Total £
1	Tier 2 Open August 1st to October 23rd or November 4th	1,884,321	
2	Tier 3 Closed October 23rd to November 4th	190,586	
3	National Lockdown 2 November 5th to December 2nd	3,517,326	
4	Sector Payments November 1st to November 4th	Included in 2	
5	Sector Payments December 3rd to December 16th	Included in 8	
6	Sector Payments December 17th to December 30th	Included in 11	
7	Wet Led Pubs Christmas Grant (£1k payment)	128,000	
7a	Additional Payment Wet Led Pubs Christmas Grant	102,400	
8	Tier 3 Closed December 3rd to December 16th	288,914	
9	Tier 3 Open December 3rd to December 16th	35,706	
10	Tier 3 Open December 17th to December 30th	25,205	
11	Tier 3 Closed December 17th to December 30th	297,411	
12	Tier 4 Closed December 31st to January 4th	698,729	
13	National Lockdown 3- January 5th to February 15th	5,275,989	
14	National Lockdown 3- February 16th to 31st March	5,527,227	
15	Closed Business Lockdown Payment (£4k, £6k and £9k)	10,548,000	
	TOTAL LOCAL RESRICTIONS SUPPORT GRANT		28,519,814

	Additional Restrictions Support Grant - Funding Received	Grant Allocation £	Total £
1	Round 1	5,016,987	
2	Round 2	2,106,260	
	TOTAL ADDITIONAL RESRICTIONS SUPPORT GRANT		7,123,247

	TOTAL GRANTS TO BUSINESSES - PAYMENTS MADE / FUNDING RECEIVED		85,988,811
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	New Burdens Funding for Business Grant Administration		285,150
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CAPITAL INVESTMENT PROGRAMME REPORT 2020/21

Month 9 – December 2020

1 Background

- 1.1 The original capital programme for 2020/21 reflects the priorities outlined in the capital strategy as approved at Cabinet on 10 February 2020 and confirmed at the Council meeting on the 26 February 2020.
- 1.2 The position as at 31 December 2020 is highlighted in this report but as the year progresses the outturn projections will reflect the evolving position.
- 1.3 For the remainder of the financial year, the programme will continue to be monitored and revised to take account of any new developments and changes in the profile of planned expenditure.

2 Current Position

- 2.1 The approved capital programme summary position for the five financial years 2020/21 to 2024/25, approved by Council on 26 February 2020 is summarised in Table 1 and shows capital programme expenditure of £147.632m in 2020/21.

Table 1 : Original Budget - Capital Programme 2020/21 to 2024/25

2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTAL £000
147,632	131,467	102,510	40,999	56,973	479,581

- 2.2 Table 2 shows the revised capital programme for 2020/21 as at 31 December 2020 at an overall expenditure level of £71.012m, following the changes explained in the following paragraphs.
- 2.3 The approved virements of £0.085m (an increase to the 2020/21 budget) represent changes since the M08 position as detailed later in the report (para 2.5)
- 2.4 Actual expenditure to 31 December 2020 was £56.080m which is 77.89% of the forecast outturn position. Members should note that as at the end of February 2021 actual spend was £61.483m which is 86.58% of the forecast outturn. This spending profile is slightly higher than in previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.

Table 2 – 2020/21 Capital Programme

Directorate	Revised Budget (M08) £000	Approved Virements (to M09) £000	Proposed Virement/ Rephase £000	Revised Budget (M09) £000	Forecast £000	Variance £000
Corporate Services	17,278	(41)	(934)	16,302	16,302	-
Children's Services	10,457	122	(1,480)	9,099	9,099	-
Communities and Reform	125	(4)	-	121	121	-
Community Health & Adult Social Care	2,011	48	-	2,059	2,059	-
Housing Revenue Account	4,951	-	(185)	4,767	4,767	-
People and Place	46,190	(40)	(7,486)	38,664	38,664	-
Overall Total	81,013	85	(10,085)	71,012	71,012	-

(subject to rounding – tolerance +/- £1k)

- 2.5 The net budget increase of £0.085m in 2020/21 represents approved movements including new funding, as summarised by service area below:

Table 3 – Net Budget Changes 2020/21 and 2021/22

Scheme	2020/21 £000
Funding for Emerging Priorities	(41)
Schools	122
Local Investment Fund (LIF)	(4)
Disabled Faculties grant (DFG) – Private Contributions	48
Asset Management - Corporate	1,404
Environment – Parks	4
IT	346
Schools – Primary	(119)
Schools – Special	(3)
Schools New Build	1,441
Town Centre Developments	(2,837)
Transport - Bridges & Structures	(136)
Transport - Highway Major Works/Drainage schemes	(203)
Transport - Minor Works	(25)
Transport - Miscellaneous	88
Total	85

- 2.6 The proposed changes of a net reduction of £10.085m reflect anticipated virements and further rephasing of spending as detailed in Appendix A.
- 2.7 Due to the COVID-19 pandemic, there remains an element of uncertainty about the forecast position and it is inevitable that this will change as the year end approaches; that said, the forecasts are based on the latest and most up to date information. A further breakdown of Table 2 on a service by service area basis is shown at Appendices A to F.

Re-profiling of the Capital Programme

- 2.8 Since the Council meeting of 4 March 2021 which approved the 2021/22 to 2025/26 Capital Strategy and Programme, the revised capital programme now extends for a further financial year from 2020/21 to 2025/26. Taking into account all the above amendments and the recently approved 2021/22 - 2025/2026 Capital Strategy and Programme, the updated position is shown in Table 4 together with the projected financing profile.

Table 4 – 2020/21 to 2025/2026 Capital Programme

Directorate Budget	Revised Budget 2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Corporate Services	16,302	7,932	4,269	3,269	1,638	3,896	37,306
Children's Services	9,099	7,879	13,200	13,742	-	-	43,920
Communities and Reform	121	631	-	-	-	-	752
Community Health & Adult Social Care	2,059	3,409	400	400	1,100	-	7,368
Housing Revenue Account	4,767	3,598	8,127	7,914	1,150	-	25,556
People and Place	38,664	71,655	68,770	46,093	58,665	23,558	307,406
Grand Total	71,012	95,104	94,766	71,418	62,553	27,454	422,308

(subject to rounding – tolerance +/- £1k)

Funding	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Grant & Other Contributions	(20,388)	(36,429)	(4,605)	(8,971)	(1,973)	(1,973)	(74,339)
Prudential Borrowing	(45,045)	(49,847)	(74,856)	(52,031)	(57,769)	(25,481)	(305,029)
Revenue	(2,945)	(3,599)	(8,127)	(7,914)	(1,150)	-	(23,735)
Capital Receipts	(2,635)	(5,230)	(7,178)	(2,502)	(1,661)	-	(19,206)
Grand Total	(71,012)	(95,104)	(94,766)	(71,418)	(62,553)	(27,454)	(422,308)

(subject to rounding – tolerance +/- £1k)

- 2.9 The revised Provision for Emerging Priorities for 2020/21 to 2025/26, having regard to all the above amendments, is contained within the Corporate Services budget and is as follows:

Table 5 – Provision for Emerging Priorities

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Provision for Emerging Priorities	301	1,442	4,200	3,200	1,500	3,896	14,539

(subject to rounding – tolerance +/- £1k)

Capital Receipts

- 2.10 The revised capital programme requires the availability of £2.635m of capital receipts in 2020/21 for financing purposes.

2.11 The total net usable capital receipts currently received in year is £2.123m. Members should note that the first £2.335m call on capital receipts will be used to fund the Flexible Use of Capital Receipts which supports transformational expenditure and therefore impacts on the revenue budget (this was initially budgeted at £3.750m but it is forecast that £1.415m of Capital Receipts will not be obtained due to COVID-19). It is therefore highly unlikely that any capital receipts will be used to finance any projects other than the Flexible Use of Capital Receipts within the capital programme in 2020/21.

2.12 The capital receipts position as at 31 December 2020 is as follows:

Table 6 – Capital Receipts 2020/21

	£000	£000
Capital Receipts Financing Requirement		2,635
Usable Capital Receipt b/fwd.	-	
Actual received to date	(2,123)	
Further Required/(Surplus) in 2020/21		512

(subject to rounding – tolerance +/- £1k)

2.13 Given the significant amount of receipts needed to finance the capital programme in this and future years it is imperative that the capital receipts/disposal schedule is adhered to. It is of course recognised that the pandemic has had an impact of business/economic activities making capital disposals more challenging, and as a direct consequence officers are working up a revised disposal strategy to maximise income to the Council. A review of the capital receipts schedule has been a key element of the work undertaken in preparing the 2021/22 to 2025/26 Capital Strategy and work will continue as the new asset disposal schedule is implemented and revised during 2021/22.

2.14 The Capital Strategy and Capital Programme 2020/25 introduced an expectation of the level of receipts that is anticipated in each of the respective years and therefore an estimate as to the resultant level of over or under programming in order to present a balanced budget. Having now included an additional year to 2025/26, the revised and updated is illustrated in the table below:

Table 7 – Capital Receipts 2020/26

Capital Receipts	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Capital Receipts Carried Forward	-	315	(125)	5,284	6,461	8,122
Estimated Additional Capital Receipts in Year	(197)	(5,670)	(1,769)	(1,325)	-	-
Received in year	(2,123)					
Total Receipts Anticipated/ Available	(2,320)	(5,355)	(1,894)	3,959	6,461	8,122
Capital Receipts Financing Requirement	2,635	5,230	7,178	2,502	1,661	-
Over/(Under) programming	315	(125)	5,284	6,461	8,122	8,122

(subject to rounding – tolerance +/- £1k)

2.15 As shown above, the most recent projections are for a continued shortfall across the whole of the Capital Strategy and programme. However, the new asset

disposal schedule, included within the Creating a Better Place strategy, is expected to gather pace as the strategy progresses which will allow the deliverability of capital receipts to be accelerated therefore reducing the projected shortfall.

3 Conclusion

- 3.1 Whilst the current estimated forecast outturn position is £71.012m, it is possible that the as the year draws to an end, further reprofiling may still be required. This will be addressed as part of the year end process.
- 3.2 The capital programme is being continually monitored and is reported to Members on a regular basis.

4 Appendices

- 4.1 Appendix A - SUMMARY – Month 9 - Corporate Services
- Appendix B - SUMMARY – Month 9 - Children’s Services
- Appendix C - SUMMARY – Month 9 - Communities and Reform
- Appendix D - SUMMARY – Month 9 - Community Health & Adult Social Care
- Appendix E - SUMMARY – Month 9 - Housing Revenue Account (HRA)
- Appendix F - SUMMARY – Month 9 - People and Place
- Appendix G - SUMMARY – Month 9 - Proposed Variations

SUMMARY – MONTH 9 (DECEMBER 2020) – Corporate Services

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
Corporate	17,069	(41)	(934)	16,094		-
General Services	208			208		-
	17,277	(41)	(934)	16,302		-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) - Children's Services

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
Children, Young People & Families	60			60		-
Schools – General Provision	485		(480)	5		-
Schools – Primary	2,494	120		2,614		-
Schools – Secondary	3,445		(500)	2,945		-
Schools – Special	657	2		659		-
Schools – New Build	3,316		(500)	2,816		-
	10,457	122	(1,480)	9,099		-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) - Communities and Reform

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
District Investment Fund	125	(4)	-	121	121	-
	125	(4)	-	121	121	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) – Community Health & Adult Social Care

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
Adult Services	2,011	48	-	2,059	2,059	-
	2,011	48	-	2,059	2,059	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) - Housing Revenue Account (HRA)

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
Housing Revenue Account	4,951	-	(185)	4,767	4,767	-
Reform Total	4,951	-	(185)	4,767	4,767	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) - People and Place

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
Asset Management	1,743	1,404	(1,751)	1,396	1,396	-
Asset Management - Education Premises	1,710		(890)	820	820	-
Boroughwide Developments	2,417		(1,998)	419	419	-
Development	18			18	18	-
District Partnership – Boroughwide	57			57	57	-
Environment – Countryside	45			45	45	-
Environment – Parks	331	4	(34)	301	301	-
ICT	3,681	346	(1,373)	2,654	2,654	-
Parks & Playing Fields	21			21	21	-
Private Housing – HMRF	50			50	50	-
Public Realm	55			55	55	-
Schools – Primary	119	(119)		0	0	
Schools – Special	3	(3)		0	0	-
Schools – New Build	8,917	1,441	(1,441)	8,917	8,917	-
Town Centre Developments	13,750	(2,837)		10,913	10,913	-
Transport - Accident Reduction	347			347	347	-
Transport - Bridges & Structures	2,602	(136)		2,466	2,466	-
Transport - Fleet Management	1,001			1,001	1,001	-
Transport - Highway Major Works/Drainage schemes	6,366	(203)		6,163	6,163	-
Transport – Metrolink	48			48	48	-
Transport - Minor Works	1,470	(25)		1,445	1,445	-
Transport – Miscellaneous	1,414	88		1,502	1,502	-
Transport - Street Lighting	26			26	26	-
	46,190	(40)	(7,486)	38,664	38,664	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) - Proposed Variations

EXPENDITURE BUDGETS TO BE REPROFILED AS AT 31 DECEMBER 2020	2020/21	2021/22	Comments
Directorate / Scheme	£	£	
Corporate Services			
Provision for CPOs	(975,000)	975,000	Rephase to future years
Funding for Emerging Priorities	40,710	-	Realign from other Service
Corporate Services Total	(934,290)	975,000	
Children's Services			
Saddleworth School New Build (WH Shaw Site)	(500,000)	500,000	Rephase to future years
Greenfield Primary- temporary classroom & playing fields block	(480,000)	480,000	Rephase to future years
Crompton House - Additional 4FE	(500,000)	500,000	Rephase to future years
Children's Services Total	(1,480,000)	1,480,000	
Housing Revenue Account (HRA)			
HRA Capital Strategy	(185,500)	185,500	Rephase to future years
Housing Revenue Account (HRA)Total	(185,500)	185,500	
People and Place			
Essential Condition Works - General Provision	(348,582)	348,582	Rephase to future years
Greaves Street Oldham	(194,404)	194,404	Rephase to future years
IT – Various projects	(1,012,652)	971,942	Rephase to future years / Realign from other Service
Local Full Fibre Network (LFFN)	(360,000)	360,000	Rephase to future years
Prince Street - Car Park	3,258	-	Realign within Service
Flexible Housing Fund	(500,000)	500,000	Rephase to future years
Corporate Estate	(250,000)	250,000	Rephase to future years
Westminster Road Failsworth	(33,768)	33,768	Rephase to future years
Strategic Acquisitions	(1,498,000)	1,498,000	Rephase to future years
Old Library	(1,303,258)	1,300,000	Rephase to future years / Realign within Service
Spindles Redevelopment	(1,000,000)	1,000,000	Rephase to future years
Asset Management (Various Schemes)	(989,003)	989,003	Rephase to future years
People and Place Total	(7,486,408)	7,445,698	
TOTAL	(10,086,199)	10,086,199	

FINANCING BUDGETS TO BE REPROFILED AS AT 31 DECEMBER 2020	2020/21	2021/22	
Fund Source	£	£	
Grants and Contributions	1,409,943	(1,409,943)	
Prudential Borrowing	6,959,536	(6,959,536)	
Revenue Contribution	185,500	(185,500)	
Capital Receipts	1,531,220	(1,531,220)	
TOTAL	10,086,199	(10,086,199)	

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Report to CABINET / COUNCIL

Arrangements for the preparation of ‘Places for Everyone’: A proposed Joint Development Plan Document on behalf of nine Greater Manchester districts

Portfolio Holder:

Councillor Hannah Roberts, Cabinet member for Housing

Officer Contact: Emma Barton, Director of Economy

Report Author: Elizabeth Dryden-Stuart, Team Leader (Strategic Planning)

Ext. 1672

Cabinet: 22 March 2021

Council: 24 March 2021

Reason for Decision

To approve the arrangements necessary to formulate and prepare the joint development plan document (DPD) ‘Places for Everyone’, including the establishment of a joint committee to represent Oldham Council and the eight other GM districts (Bolton, Bury, Manchester, Rochdale, Salford, Tameside, Trafford, Wigan).

Executive Summary

On 11 December 2020, following the withdrawal of Stockport Council from the production of the Greater Manchester Plan for Jobs, Homes & the Environment (the Greater Manchester Spatial Framework), the Association of Greater Manchester Authorities (AGMA) Executive Board agreed in principle to the a joint Development Plan Document (DPD) of the nine remaining Greater Manchester (GM) districts, to cover strategic policies including housing and employment land requirements and, as appropriate, strategic site allocations and Green Belt boundary amendments and associated infrastructure.

A report was taken to AGMA Executive Board on 12th February 2021 setting out the next steps in relation to the Joint DPD of the nine GM districts, to be known as 'Places for Everyone', including the required decisions by individual Districts to initiate this process as set out below in the recommendations and discussed further in this report.

Approval to establish the new Joint Committee is a decision for each district according to their own Constitutional arrangements and approval to delegate the formulation and preparation of the Joint DPD to that committee is a Cabinet function.

Recommendations

It is recommended, subject to Council approving the recommendations below, that Cabinet:

1. Note that full Council has approved the making of an agreement with the other 8 Greater Manchester councils (Bolton, Bury, Manchester, Rochdale, Salford, Tameside, Trafford, Wigan) to prepare a joint development plan document to cover strategic policies including housing and employment land requirements and, as appropriate, strategic site allocations and Green Belt boundary amendments and associated infrastructure across the nine districts.
2. Delegate to a Joint Committee of the nine Greater Manchester councils the formulation and preparation of the joint development plan document to cover housing and employment land requirements including, as appropriate, strategic site allocations and Green Belt boundary amendments and associated infrastructure across the nine Greater Manchester districts insofar as such matters are executive functions.
3. Note that the following are the sole responsibility of full Council:
 - a. Responsibility for giving of instructions to the Cabinet to reconsider the draft plan submitted by the Cabinet for the Council's consideration.
 - b. The amendment of the draft joint development plan document submitted by the Cabinet for the full Council's consideration.
 - c. The approval of the joint development plan document for the purposes of submission to the Secretary of State for independent examination.
 - d. The adoption of the joint development plan document.

It is recommended that Council:

1. Approve the making of an agreement with the other 8 Greater Manchester councils (Bolton, Bury, Manchester, Rochdale, Salford, Tameside, Trafford, Wigan) to prepare a joint development plan document to cover strategic policies including housing and employment land requirements and, as appropriate, strategic site allocations and Green Belt boundary amendments and associated infrastructure across the nine districts.

-
2. Agree Oldham Council's lead Member for the joint committee as Leader of the Council and nominate the Cabinet Member for Housing as deputy, to attend and vote as necessary.
 3. Note that the Cabinet will be asked to delegate the formulation and preparation of the draft joint development plan document to a joint committee of the nine GM authorities.
 4. Note that a further report will be brought to full Council seeking approval to submit the joint development plan document to the Secretary of State for independent examination.

Arrangements for the preparation of 'Places for Everyone': A proposed Joint Development Plan Document on behalf of nine Greater Manchester districts

1 Background

- 1.1 On 11 December 2020, following the withdrawal of Stockport Council from the production of the Greater Manchester Plan for Jobs, Homes & the Environment (the Greater Manchester Spatial Framework), the AGMA Executive Board agreed to consider producing a joint Development Plan Document (DPD) of the nine remaining Greater Manchester (GM) districts, and asked officers to report back on the implications of this.
- 1.2 Subsequently a report was taken to AGMA Executive Board on 12th February 2021 (see appendix 1 for the full details) setting out the next steps in relation to preparing a joint DPD of the nine GM districts. The report included the decisions required by individual Districts to initiate this process, which are set out in the recommendations and discussed further below.

2 Current Position

- 2.1 Despite the withdrawal of Stockport Council, the rationale for the preparation of a joint DPD of the nine remaining districts remains and includes being able to:
- underpin Greater Manchester's plan for recovery from Covid;
 - support delivery of the Greater Manchester Strategy;
 - provide a framework to manage growth in a sustainable and inclusive way, avoid un-planned development and development by appeal;
 - align the delivery of development with infrastructure proposals;
 - provide the speediest resolution to produce an up-to-date plan and meet the requirement for local authorities to have a local plan in place by December 2023; and
 - meet the Duty to Co-operate in s33A Planning and Compulsory Purchase Act 2004.
- 2.2 Discussions with the nine GM districts indicate that there is continued opportunity to work collaboratively to produce a joint DPD of the nine, to be known as 'Places for Everyone'.
- 2.3 It is felt that producing the joint DPD 'Places for Everyone' enables the nine GM districts to continue to:
- progress the strategic policies in GMSF 2020 which commanded widespread support, for example net zero carbon development, affordable housing and space and accessibility standards for new housing;
 - maximise the use of sustainable urban/brownfield land and limit the need for Green Belt to accommodate the development needs of the nine;

-
- align with wider Greater Manchester strategies for transport and other infrastructure investment;
 - utilise the evidence base already commissioned and completed, minimising the cost of producing further evidence; and
 - spread the cost jointly of the independent examination.

Process for establishing the Joint Committee and preparing the Joint DPD Places for Everyone

2.4 The GMSF was being prepared by the AGMA Executive Board on behalf of the ten GM districts. However, it would not be appropriate for the preparation of a joint plan of only nine of the ten GM districts to be delegated to this Board. As such, to establish a new joint committee of the nine relevant GM districts – Bury, Bolton, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford and Wigan, each district is being requested to authorise the establishment of the new joint committee and delegate the preparation of the joint DPD to the new joint committee as outlined in the recommendations.

2.5 In addition to establishing the joint committee:

- Districts are being asked to agree the district lead Member for the joint committee and a nominated deputy to attend and vote as necessary. This is a matter for the individual districts to determine, however it is suggested, for continuity purposes, that district Leaders form the membership of the joint committee, with the ability for a nominated deputy to attend as necessary. The recommendations to this report therefore propose that Oldham Council's lead Member for the joint committee is the Leader of the Council and that the Cabinet Member for Housing acts as the deputy, to attend and vote as necessary.
- It will be the responsibility of the joint committee to agree its terms of reference and the operational arrangements, including the appointing of the chair and the voting arrangements.

2.6 The purpose of the Joint Committee will be to formulate and prepare the Joint DPD. Should the draft joint DPD be considered to have substantially the same effect on the nine districts as the GMSF 2020, the next stage would be publication (Regulation 19 stage).

2.7 As with the GMSF:

- each Council's Cabinet/Executive will be responsible for approving the Regulation 19 version of the joint DPD ahead of a period for representations to be made; and
- the nine full Councils will be responsible for approving the joint DPD for submission to the Secretary of State for independent examination.

2.8 The function of scrutiny in the production of the joint DPD will remain with the individual districts as the relevant decisions will rest with the districts, not AGMA or the GMCA.

Amendments to Oldham's Local Development Scheme and Statement of Community Involvement

- 2.9 Oldham's Local Development Scheme (most recently updated September 2020) will need to be revised to reflect preparation of the Joint DPD and its revised timetable. The Statement of Community Involvement (SCI) will also need to be amended to reference the Joint DPD appropriately. Consultation that takes place in relation to the Joint DPD of the nine will need to be in accordance with each district's SCI, as was the case with the GMSF.
- 2.10 Districts have been asked to consider what changes are needed to the LDS and SCI as a result of the actions proposed at the front of this report and ensure that the necessary steps are taken. Further reports on the necessary changes to the LDS and SCI will be taken through for approval as appropriate.

The Oldham Local Plan

- 2.11 The Joint DPD 'Places for Everyone' remains essential to create the foundations for the scale of growth and ambition for Greater Manchester. Upon adoption it will be part of the Development Plan for each Greater Manchester local authority, including Oldham. As stated above progressing the Joint DPD provides the speediest resolution to provide an up-to-date Local Plan within MHCLG's deadline of December 2023. Whilst offering the strongest protection against inappropriate development whilst the Local Plan is being developed.
- 2.12 The Joint DPD, however, is a high level, strategic plan and does not cover everything that a district local plan would. District Local Plans therefore continue to play a vital role to take forward the strategic policies set out in the joint DPD and interpret these at a more detailed local level to support the creation of locally distinctive high-quality places and neighbourhoods.
- 2.12 The Council intend to press ahead with consultation on issues and options for the Local Plan and it is anticipated that consultation will be during summer 2021. Revisions to the LDS will need to reflect these changes to the timetable. The Local Plan will deal with matters at the local level setting out the spatial vision, strategic objectives and strategy for Oldham and cover planning policies and site allocations, where they provide additional policy direction for Oldham, beyond that contained in the Joint DPD 'Places for Everyone'.

3 Options/Alternatives

- 3.1 Option 1: To approve the arrangements necessary to formulate and prepare the joint development plan document (DPD) "Places for Everyone" as set out in the recommendations to this report, including the establishment of a joint committee to represent Oldham Council and the eight other GM districts (Bolton, Bury, Manchester, Rochdale, Salford, Tameside, Trafford, Wigan).
- 3.2 Option 2: To not approve the arrangements necessary to formulate and prepare the joint development plan document (DPD) "Places for Everyone" as set out in the recommendations to this report, including the establishment of a joint committee to

represent Oldham Council and the eight other GM districts (Bolton, Bury, Manchester, Rochdale, Salford, Tameside, Trafford, Wigan).

4 Preferred Option

- 4.1 To approve the arrangements necessary to formulate and prepare the joint development plan document (DPD) “Places for Everyone” as set out in the recommendations to this report, including the establishment of a joint committee to represent Oldham Council and the eight other GM districts (Bolton, Bury, Manchester, Rochdale, Salford, Tameside, Trafford, Wigan).

5 Consultation

- 5.1 Consultation will be carried out on the joint development plan document ‘Places for Everyone’ as appropriate.

6 Financial Implications

- 6.1 Whilst a substantial evidence base has been assembled to support the Development Plan Document, as part of the work on the GMSF, it is expected that further work will be required which will require the commissioning of specialist and independent consultants. There will be a cost to the revenue budget as a result.
- 6.2 The exact amount of additional revenue costs cannot be accurately determined at this time and will be dependent on the amount of work that needs to be commissioned. However, any additional costs will need to be met from any amounts remaining in specific reserves to support the Local Plan and wider spatial planning, within the existing Planning Service revenue budget or within the wider existing Economy Directorate revenue budget.

(James Postle)

7 Legal Services Comments

- 7.1 Under section 28 of the Planning and Compulsory Purchase Act 2004, 2 or more local authorities may agree to prepare one or more joint local development documents. Pursuant to Regulation 4(4A) and (4C) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, the making of an agreement to prepare one or more joint development plan documents shall not be the responsibility of an executive of the authority. The decision to agree to prepare a joint development plan document must therefore be made by full Council.
- 7.2 Section 101(5) of the Local Government Act 1972 enables two or more local authorities to discharge any of their functions by a joint committee. Section 9EA of the Local Government Act 2000 enables the Secretary of State to make regulations for enabling an executive of a local authority to arrange for the discharge of any functions which under executive arrangements are the responsibility of the executive by another local authority or by the executive of another local authority or a committee or specified member of such an executive.

The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 (SI 2012 no. 1019) were made pursuant to Section 9EA. The Regulations provide at Regulation 4 that in an authority with a Leader and Cabinet (as in Oldham), the persons with the power to make arrangements under section 101(5) of the Local Government Act 1972 are the Cabinet, a member of the Cabinet or a committee of the Cabinet, as respects those functions which are allocated by executive arrangements to the Cabinet, that member or that committee. (A Evans)

8. Co-operative Agenda

8.1 Formulation and preparation of the joint development plan document (DPD) 'Places for Everyone', including the establishment of a joint committee to represent Oldham Council and the eight other GM districts (Bolton, Bury, Manchester, Rochdale, Salford, Tameside, Trafford, Wigan) links to Oldham's co-operative agenda. Working with our neighbouring districts, other GM authorities and the GMCA in a collaborative way that will help to support our Corporate Plan and priorities such as delivering 'An Inclusive Economy' and Creating a Better Place.

9 Human Resources Comments

9.1 Not applicable.

10 Risk Assessments

10.1 None received

11 IT Implications

11.1 Not applicable.

12 Property Implications

12.1 The preparation of the joint development plan document is welcomed, as it will provide a framework to manage growth and promote property development in a sustainable and inclusive way, helping to avoid largescale un-planned development and development by appeal. (Bryn Cooke)

13 Procurement Implications

13.1 Not applicable.

14 Environmental and Health & Safety Implications

14.1 An Integrated Appraisal has been prepared to support the GMSF.

15 Equality, community cohesion and crime implications

15.1 A Joint Development Plan Document is a statutory plan which seeks to contribute to the achievement of sustainable development, delivering economic, social and

environmental benefits together in a mutually reinforcing way. It will be informed by an Integrated Appraisal which includes an Equalities assessment.

16 Implications for Children and Young People

16.1 An Equality Impact Assessment has been carried out as part of the Integrated Appraisal.

17 Equality Impact Assessment Completed?

17.1 A Joint Development Plan Document is a statutory plan which seeks to contribute to the achievement of sustainable development, delivering economic, social and environmental benefits together in a mutually reinforcing way. It will be informed by an Integrated Appraisal which includes an Equalities assessment.

18 Key Decision

18.1 Yes

19 Key Decision Reference

19.1 NC-02-21.

20 Background Papers

20.1 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:

See Appendix 1 below.

21 Appendices

21.1 Appendix 1 - Places for Everyone: A Proposed Joint Development Plan Document of Nine GM Districts; AGMA Executive Board; 12th February 2021

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AGMA Executive Board

Date: **12th February 2021**

Subject: Places for Everyone: A Proposed Joint Development Plan Document of Nine GM Districts

Report of: Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure
Steve Rumbelow Portfolio Lead Chief Executive for Housing, Homelessness and Infrastructure

1.0 PURPOSE OF REPORT

1.1 On 11 December 2020, following the withdrawal of Stockport Council from the production of the Greater Manchester Plan for Jobs, Homes & the Environment, the Greater Manchester Spatial Framework, the AGMA Executive Board agreed to consider producing a joint Development Plan Document (DPD) of the nine remaining Greater Manchester (GM) districts, and asked officers to report back on the implications of this.

1.2 This report provides further details on the next steps in relation to that joint plan of the nine GM districts, to be known as “Places for Everyone”, including the required decisions by individual Districts to initiate this process.

2.0 RECOMMENDATIONS:

The AGMA Executive Board is asked to note that:

2.1 Each full Council will be asked to:

1. Approve the making of an agreement with the other 8 Greater Manchester councils (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford, Wigan * delete as appropriate) to prepare a joint development plan document to cover strategic policies including housing and employment land requirements and, as appropriate, strategic site allocations and Green Belt boundary amendments and associated infrastructure across the nine districts.
2. Agree the district lead Member for the joint committee and a nominated deputy to attend and vote as necessary
3. Note that the [Council's Executive / Cabinet] will be asked to delegate the formulation and preparation of the draft joint development plan document to a joint committee of the nine GM authorities
4. Note that a further report will be brought to full Council seeking approval to submit the joint development plan document to the Secretary of State for independent examination

2.2 Each Executive / cabinet/ leader/ the City Mayor (depending on each Council's own arrangements and in the event that the Councils have approved the above recommendations):

1. Note that full Council has approved the making of an agreement with the other 8 Greater Manchester councils [state] to prepare a joint development plan document to cover strategic policies including housing and employment land requirements and, as appropriate, strategic site allocations and Green Belt boundary amendments and associated infrastructure across the nine districts.
2. Delegate to the joint committee of the nine Greater Manchester councils the formulation and preparation of the joint development plan document to cover housing and employment land requirements including, as appropriate, strategic site allocations and Green Belt boundary amendments and associated infrastructure across the nine Greater Manchester districts insofar as such matters are executive functions.

3. Note that the following are the sole responsibility of full Council:

- Responsibility for giving of instructions to the executive to reconsider the draft plan submitted by the executive for the authority's consideration.
- The amendment of the draft joint development plan document submitted by the executive for the full Council's consideration
- The approval of the joint development plan document for the purposes of submission to the Secretary of State for independent examination.
- The adoption of the joint development plan document.

3.0 CONTACT OFFICERS:

3.1 Steve Rumbelow, Chief Executive Portfolio Lead for Housing, Homelessness and Infrastructure (steve.rumbelow@rochdale.gov.uk)

Anne Morgan, Head of Planning Strategy, GMCA (anne.morgan@greatermanchester-ca.gov.uk)

Equalities Implications:

A Joint Development Plan Document is a statutory plan which seeks to contribute to the achievement of sustainable development, delivering economic, social and environmental benefits together in a mutually reinforcing way. It will be informed by an Integrated Appraisal which includes an Equalities assessment.

Climate Change Impact Assessment and Mitigation Measures –

A Joint Development Plan of the 9 will provide a planning policy framework to support Greater Manchester's ambition to be carbon neutral by 2038

Legal Considerations: As set out in the Report

Financial Consequences – Revenue:

The preparation of the joint Development Plan Document will generate a revenue cost for the 9 local authorities. A substantial evidence base was assembled to support the GMSF plan of the 10 local authorities which involved the commissioning of specialist and independent experts. Much of this evidence will remain relevant to this plan, and Stockport’s Local Plan, however there will be further revenue costs associated producing the plan of the nine local authorities and with the examination process, including appointment of a Programme Officer and Assistant. A budget has been identified to meet this cost from within the Retained Business Rates budget, spread over the two financial years 2020/21 and 2021/22.

Financial Consequences – Capital: n/a

There are no capital consequences identified

Number of attachments included in the report: None

Comments and/or recommendation from the relevant Overview & Scrutiny Committee: N/A

BACKGROUND PAPERS:

[Report to AGMA Executive Board 30 October 2020](#)

[Report to AGMA Executive Board 11 December 2020](#)

TRACKING/PROCESS	[All sections to be completed]	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution	Yes / No	
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?	No	

TfGMC	Overview & Scrutiny Committee	
N/A	N/A	

4.0 BACKGROUND

4.1 Up until December 2020 a joint development plan document of the ten Greater Manchester local authorities was being prepared, Greater Manchester’s Plan for Jobs, Homes & the Environment (known as the “GMSF”). However, the decision at Stockport Council’s meeting on 3 December to not submit the GMSF 2020 following the consultation period and the subsequent resolution at its Cabinet meeting on 4 December not to publish the GMSF 2020 for consultation in effect signalled the end of the GMSF as a joint plan of the 10.

4.2 Consequently, at its meeting on the 11th December 2020, Members of the AGMA Executive Committee asked officers to report back on the implications and process of producing a joint DPD of the nine remaining Greater Manchester (GM) districts.

5.0 RATIONALE AND SCOPE OF THE PLAN PLACES FOR EVERYONE

5.1 Notwithstanding the decision of Stockport Council, the rationale for the preparation of a Joint DPD of the nine remaining districts remains. This includes being able to:

- Underpin Greater Manchester’s plan for recovery from Covid
- Support delivery of the Greater Manchester Strategy
- Provide a framework to manage growth in a sustainable and inclusive way, avoid un-planned development and development by appeal
- Align the delivery of development with infrastructure proposals
- Meet the requirement for local authorities to have a local plan in place by December 2023.
- Meet the Duty to Co-operate in s33A Planning and Compulsory Purchase Act 2004

5.2 Discussions with the nine authorities indicate that there is continued opportunity to work collaboratively to produce a joint plan of the nine, to be known as “Places for Everyone”.

Producing such a plan would enable those nine districts to continue to:

- progress the strategic policies in GMSF 2020 which commanded widespread support, for example net zero carbon development, affordable housing and space and accessibility standards for new housing
- maximise the use of sustainable urban/brownfield land and limit the need for Green Belt to accommodate the development needs of the nine
- align with wider Greater Manchester strategies for transport and other infrastructure investment
- utilise the evidence base already commissioned and completed, minimising the cost of producing further evidence
- spread the cost jointly of the independent examination

6.0 PROCESS FOR PRODUCING THE JOINT PLAN PLACES FOR EVERYONE

6.1 The GMSF was being prepared by the AGMA Executive Board on behalf of the ten GM districts. However, it would not be appropriate for the preparation of a joint plan of only nine of the ten GM districts to be delegated to this Board. Instead it will be necessary to establish a new joint committee of the nine relevant districts – Bury, Bolton, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford and Wigan. Each district will be requested to authorise the establishment of the new joint committee and delegate the preparation of the joint DPD to the new joint committee as outlined at the front of this report.

6.2 Membership of the joint committee is a matter for the individual districts to determine. However, it is suggested, for continuity purposes, that district Leaders form the membership of the committee, with the ability for a nominated deputy to attend as necessary. It will be the responsibility of the joint committee to agree its terms of reference and the operational arrangements, including the appointing of the chair and the voting arrangements.

6.3 The purpose of the Joint Committee will be to formulate and prepare the joint DPD. In the event that the draft joint DPD is considered to have substantially the same effect on the nine districts as the GMSF 2020, the next stage would be publication (Regulation 19 stage).

As with the GMSF, each Cabinet/Executive will be responsible for approving the Regulation 19 version of the plan ahead of a period for representations to be made. Again as with the GMSF, the nine full Councils will be responsible for approving the joint plan for submission to the Secretary of State for independent Examination.

- 6.4 The preparation of the joint DPD will need to be reflected in each District's Local Development Scheme (LDS), which identifies the timetable for the production of local development documents such as this one. Similarly, district Statements of Community Involvement (SCI) will need to make reference to the joint DPD appropriately and consultation that takes place in relation to the joint DPD of the nine will need to be in accordance with each district's SCI, as was the case with the GMSF. Districts will therefore need to consider what changes are needed to these documents as a result of the actions proposed at the front of this report and ensure that the necessary steps are taken.
- 6.5 The function of scrutiny in the production of the joint DPD will remain with the individual districts as the relevant decisions will rest with the districts, not AGMA or the GMCA.

7.0 INTERRELATIONSHIP WITH STOCKPORT AND THE JOINT DPD PLACES FOR EVERYONE

- 7.1 Whilst Stockport Council has withdrawn from the joint planning process of preparing the GMSF, to prepare its own local plan, the Council remains one of the 10 partners which make up GMCA and all are committed to continuing to work together to deliver a wide range of important strategies for example, the Local Industrial Strategy, the 5 Year Environment Plan and the 2040 Transport Strategy.
- 7.2 Under s33A Planning and Compulsory Purchase Act 2004, there is a formal Duty to Co-operate with neighbouring authorities. As part of the process of preparing the joint DPD, the nine districts will be required to enter into dialogue with Stockport on matters of strategic, cross boundary significance. The outcome of which will need to be set out in a "Statement of Common Ground". For example, this could include strategic matters such as the scale and distribution of housing and employment land and transport infrastructure. Where the scope of such matters dictate, such as conurbation wide issues, it may be appropriate for reports to be brought to this body for information and/or consideration.

8.0 NEXT STEPS

- 8.1 The process of establishing the joint committee will follow due process in the districts to enable a draft of the joint DPD Places for Everyone to be produced in a timely fashion, as set out in this report.



Report to Cabinet

Accessible Oldham Framework Contract

Portfolio Holder:

Councillor Brownridge – Cabinet Member Neighbourhoods and Culture

Officer Contact: Helen Lockwood (Deputy Chief Executive) and Carol Brown (Director – Environmental Management) of Executive Director

Report Author: Alex Shaw Principal Engineer
Ext. 1953

22nd March 2021

Reason for Decision

To delegate authority to Helen Lockwood (Deputy Chief Executive) in consultation with the Leader to award the Accessible Oldham Strategic Partnership Agreement and reserve supplier agreement, and delegate authority to the Director of Environmental Management in consultation with the Director of Finance and the Director of Legal Services to award the individual call off orders for the separate projects, due to the urgency to deliver a programme of works in accordance with the funding timeline constraints.

Executive Summary

The Transportation and Planning Team in collaboration with Unity Partnership have successfully bid for several capital funded multi-disciplinary highway improvement programme of work, namely Growth Deal 3 (GD3) and Mayor's Cycling and Walking Challenge Fund (MCF). The funds (cumulatively amounting to circa £16.5m) are managed by Transport for Greater Manchester (TfGM) under the overarching administration of Department for Transport (DfT).

For Oldham Council to deliver the programme it was considered necessary to seek a mid-term (4 years) Strategic Partner (Partner) to assist the Delivery Team at key stages of the design and construction work. The current method of delivery of the highway construction work is described below which can take upwards of 12 weeks from tender stage to

commencement on site. Ultimately, in order to deliver the GD3 and MCF programme within the set timeframe, a more streamlined method of procuring construction work is required. The intention is that individual projects will be procured via a Call Off procedure under the Strategic Partnership Agreement. This will require Director sign off (in liaison with the Directors of Finance and Legal Services) rather than an individual Cabinet report for each element of work.

The Accessible Oldham Strategic Partnership Agreement is scheduled to be advertised by the Commercial Services Team before the end of the year and it is expected to be available for use in March/April 2021. An initial sift will be undertaken with a shortlist of three Contractors being invited to enhance/review their respective bids with one being awarded as the outright winner.

Recommendations

It is recommended that delegated authority is given to:

- The Deputy Chief Executive in consultation with the Leader to award the Strategic Partnership Agreement and Reserve Supplier Agreement, in consultation with the Director of Finance and Director of Legal Services
- The Director of Environmental Management in consultation with the Director of Finance, and the Director of Legal Services to award the individual call off contracts for the separate works packages under the Strategic Partnership Agreement and Reserve Supplier Agreement.
- The Director of Legal Services to affix the Council's seal to the Strategic Partnership Agreement and Reserve Supplier Agreement any incidental and ancillary documentation and also to the individual call off contracts under the Strategic Partnership Agreement and Reserve Supplier Agreement any incidental and ancillary documentation.

Accessible Oldham Strategic Partnership Agreement

1 Background

1.1 The key Accessible Oldham scheme objectives are to:

- Facilitate development and the regeneration of Oldham Town Centre;
- Improve the attractiveness of the town centre for pedestrians and cyclists;
- Maintain the integrity of the highway network within and around the town centre.

The objectives align to the Growth Deal 3 priorities and regional initiatives such as the GM 2040 Transport Strategy and Growth and Reform Plan.

1.2 The Transportation and Planning Team in collaboration with Unity Partnership have successfully bid for several capital funded multi-disciplinary highway improvement programmes of work, namely Growth Deal 3 (GD3) and Mayor's Cycling and Walking Challenge Fund (MCF). The funds (accumulatively circa £16.5m) are managed by Transport for Greater Manchester (TfGM) under the overarching administration of Department for Transport (DfT).

1.3 It was apparent during the bidding process that TfGM have increased their expectations with regards to information being provided by Local Authority Bidders at all stages of the process and thus increased their scrutiny of cost, risk and resource, at design stage and operationally. For Oldham Council to adapt and proactively address the changes to the process it was considered necessary to seek a mid-term (4 years) Strategic Partner (Partner) to assist the Delivery Team at key stages of the bidding process through Early Contractor Involvement (ECI) and fast-track, where applicable, the construction of projects, to meet the expectations demands of the overseeing organisations .

1.4 The rationale behind the improvement is evident when reviewing the existing route to market. The current CHWSF Framework has seven civil engineering Lots available, each with a focus on specific civil engineering disciplines, for example highways, structures and drainage. Typically, a scheme is offered to a group of six Contractors via one Lot. The prospective Bidders submit costed bids for evaluation. Following the evaluation process a report is distributed for comments, which are compiled into a report and placed on the Cabinet approvals list to seek consent to award the Contract. This typically can take up to ten to twelve weeks due to the process which in turn increases risk to delivery when working to fixed deadlines imposed by TfGM and/or DfT.

2 Current Position

2.1 In order to mitigate the risks of the programme slippage, Growth Deal 3 (GD3) and Mayor's Cycling and Walking Challenge Fund (MCF) programmes have been combined to fund the creation of a Strategic Partnership Agreement and Reserve Supplier Agreement using an NEC4 Framework Contract as the basis of the

agreement with a view to award works packages funded by either GD3 and MCF, but not exclusively, to a single Contractor. Unity Partnership has engaged external expertise to assist in the creation a Contract and supporting information that meets the current/future demands and flexibility which Oldham Council requires and includes Social Value (TOMS) to ensure the Contractor aligns its aspirations with those of Oldham Council. It is expected that the benefits will provide the Delivery Team with the necessary support with current and future bidding opportunities whilst also providing Oldham Council with a Partner. It also enables construction work to begin a great deal sooner than the traditional route as projects will be issued via a Call Off procedure and awarded through a delegated decision process. The proposed way forward is to seek the approval of the Director of Environmental Management rather than an individual Cabinet report for each element of the works programme.

- 2.2 The Accessible Oldham Strategic Partnership Agreement was advertised by the Procurement Team on the 13th January 2021 and due to the tendering process, it is expected to be available for use in May/June 2021. Traditionally, at this time of year, local elections and PURDAH are scheduled which increases the risk of delay to the Contract being awarded thus jeopardising the delivery of the various construction projects.
- 2.3 The current agreement with TfGM is for the delivery of GD3 projects (circa £1m) of works by March 2021 with the remaining £5m being completed by March 2022. In order to achieve these timescales, several smaller projects have been issued to Oldham Council's Highways Operations Service, with the remaining projects currently being developed in readiness for delivery from April 2021 onwards.
- 2.4 The Procurement Strategy adopted by the Commercial Services Team is a competitive procedure with negotiation, which affords an opportunity for both Contractor and Oldham Council to discuss the details and the commercials should it be required to ensure that a robust bid is submitted. An initial sift will be undertaken with a shortlist of three Contractors being invited to enhance/review their respective bids with one being awarded as the outright winner and a reserve contractor. This report will be signed off by the Leader and Deputy Chief Executive.
- 2.5 A selection procedure is set out within the contract for each 'work order'. A quotation procedure is also set out. The Council retains the right not to issue the work order should the Client's Representative not be content to do so based on cost, programme or any other reason.
- 2.6 The appointed Contractor will be continually monitored for performance based on the following criteria:
 - Health and Safety
 - Social Value
 - Time
 - Cost
 - Quality

If performance criteria is not met then the Council will retain the option to allocate the construction work to the reserve Contractor. There is also provision for a reserve Contractor to be utilised in the event that the primary Contractor is unable to perform its obligations under the contract.

3 Options / Alternatives

3.1 Option 1 - Delegated authority is given to:

- the Deputy Chief Executive in consultation with the Leader to award the Strategic Partnership Agreement and Reserve Supplier Agreement.
- the Director of Environmental Management in consultation with the Director of Finance and the Director of Legal Services , in consultation with the Director of Finance and Director of Legal Services to award the individual call off contracts for the works packages under the Strategic Partnership Agreement and Reserve Supplier Agreement if necessary.
- the Director of Legal Services to affix the Council's seal to the Strategic Partnership Agreement and Reserve Supplier Agreement any incidental and ancillary documentation and also to the individual call off contracts under the Strategic Partnership Agreement and Reserve Supplier Agreement any incidental and ancillary documentation.

This would minimise the time taken to award the Strategic Partnership Agreement and call off contracts under the Agreement and be ready to commence the project on site without any unnecessary delay.

3.2 Option 2 – Wait until the contractor is selected and seek approval to award the Strategic Partnership Agreement and Reserve Supplier Agreement once the outcome of the evaluation is known. There would therefore be a delay in implementation of the projects and potential delay in the delivery of certain aspects of the programme which must meet the tight timescales under the GD3 funding agreement.

4 Preferred Option

4.1 Option 1 is the preferred option namely:

Give delegated authority to:

- the Deputy Chief Executive to award the Strategic Partnership Agreement and Reserve Supplier Agreement in consultation with the Leader.
- the Director of Environmental Management in consultation with the Director of Finance and the Director of Legal Services to award the several call off contracts under the Strategic Partnership Agreement. and Reserve Supplier Agreement if necessary
- the Director of Legal Services to affix the Council's seal to the Strategic Partnership Agreement and any supporting documentation and also to the individual call off contracts under the Strategic Partnership Agreement and any incidental and ancillary documentation.

5 Consultation

5.1 A public consultation was carried out in from late 2018 to March 2019 including the following activities:

- Member Approval - Presentation of options to Leader of Council, Portfolio Holders and Executive Members to seek support for preferred options and approval to commence public consultations.
- Business Support - Presentation of preferred options to Town Centre Manager, key businesses and wider business group to seek support for proposals.
- Taxis - Separate exercise to engage with taxis association. Facilitated by licensing team.
- Social Media / Press Release - Notification of exhibition and consultation on website.
- Website - launched with background to programme and indicative concept plan. Consultation questionnaire.
- Ward Meetings – Presentation of plans
- Public Exhibition – Presentation of overall concept with consultation questionnaire and collation of consultation responses. The vent publicized and carried out over 4 weeks. Two prominent locations were identified in the Town Centre and stands were erected promoting the programme. Responses were recorded as well as off line comments.

5.2 Key Stakeholder Engagement was carried out in parallel with the public consultation. The aim was to directly involve businesses considered likely to be most affected by the proposals. Businesses were encouraged to comment on the ambition of the proposal which is primarily to encourage walking and cycling and improve access to Oldham Town Centre. The Stakeholders took the opportunity to comment on wider issues relating to their specific service or business as well providing detail on operational requirements and safety within the Town Centre.

5.3 The following consultees were identified and individual face-to-face meetings arranged to discuss the proposals with the following organisations:

- Retailers – Iceland, Max Spielman, Up Steps and neighbouring businesses off Lord Street;
- Town Centre Business Partnership – a consortium of business figure heads representing the businesses of Oldham Town Centre;
- Local taxi representation;
- TfGM Traffic Services / Bus Operators;
- Oldham Council Response Services;
- Oldham Council Grounds Maintenance;
- Oldham Council Highway Maintenance;
- Oldham Council Street Lighting;
- Oldham Council Street Cleansing;
- Oldham Disability Access Groups.

5.4 A record of consultation comments was kept of the feedback and summarised in brief below:

- Improvements should be made to improve access for those disabled and those with young children as well as for cyclists and pedestrians.
- Efforts should be made to encourage greater engagement with young people.
- Feedback received around accessibility for disabled and or those with young children should be taken into consideration when planners commence.

-
- Bus operations – significant costs to the bus operations were identified should the initial proposals be delivered. There was also a reluctance to alter the operation of the current bus station due to a recent fatality and ongoing safety concerns. Therefore, without fundamental changes perhaps associated with a new development of the Civic site the proposals for a pedestrian link would not be feasible within this programme. The Civic package has since been dropped to a reserve list.
 - Taxis – Proposals as part of the Civic Hub package included the relocation of taxis to improve pedestrian access and facilitate effective operation of an existing loading facility. A modified design may be required in the future and will be determined at detailed design stage.
 - Town Centre Play Area and Strategic Landscaping Area – A key element of the consideration to improve access on Market Place is to rationalise the space set aside for Town Centre Play Area & Strategic Landscaping Area. Whilst these offer a key contribution to the town centre, they result in a significant barrier to free movement in a key area of the Town Centre.

6 Financial Implications

- 6.1 The appointment of a Strategic Partner via the Accessible Oldham Framework should streamline the procurement of the works to be undertaken as part of the Accessible Oldham Capital Programme and enable the completion of the works within the grant funding timescales. The total value of the works that will be awarded via this Framework will be dependent on the levels of grant funding available for works and will include both Growth Deal and Mayors Challenge fund grants. The total value of works could be in the region of £25-30m.
- 6.2 The procurement will ensure that the most economically advantageous tender is selected and enable Value for Money to be achieved for the Accessible Oldham works. The revenue costs of conducting the tender exercise will be met from within existing budgets.

(James Postle)

7 Legal Services Comments

- 7.1 The Council has sought external legal advice in relation to the drafting of a Strategic Partnership Agreement using a NEC4 single contractor framework agreement as a basis for the Agreement with the call off contracts for the individual works packages. This is a variation on the usual NEC4 single contractor framework agreement with the purpose of providing the selected contractor with the assurance of exclusivity for the works projects under the delivery programme in exchange for the facility to consult the contractor as and when required on the buildability certain aspects of the project designs.
- 7.2 However, in view of the exigencies of the Covid 19 pandemic the Council will keep a reserve supplier in hand under the provisions of a Reserve Supplier Agreement with a view to calling upon the services of the reserve supplier in the event that the Strategic Partner is unable to deliver a works package at any given time owing to the prescribed circumstances outlined in the Strategic Partnership Agreement. Both

suppliers will be clear about the precise terms of engagement of the reserve supplier so that the benefits of the Strategic Partnership Agreement are not undermined.

7.3 The Strategic Partnership Agreement will incorporate the preferred supplier's selected social value measures which will be regularly monitored and enforced using the terms and conditions of the Agreement.

7.4 The Council will be following its Contract Procedure Rules in the Council's Constitution and advertise the opportunity to the open market via and OJEU notice if the tender documentation is ready for publication before the end of the year. However, it will have to follow the recent amendment legislation published by the government in October 2020 in readiness for Brexit if the opportunity is published after 1st January 2021 and publish the notice in "Find a Tender."

(Elizabeth Cunningham Doyle)

8. Co-operative Agenda

8.1 The scheme supports the Council's vision to deliver a co-operative future where everyone does their bit to create a confident and ambitious borough. It will help to deliver the strategic objective to create an inclusive economy where people and enterprise thrive by investing in the town centre and supporting the delivery of key regeneration projects that are growing the business base, creating jobs and transforming opportunities.

9 Human Resources Comments

9.1 Not Applicable

10 Risk Assessments

Project Risks

10.1 In accordance with the GMCA governance process, a Quantified Risk Assessment has been undertaken at a programme level using the 'Monte Carlo' assessment method, in conjunction with TfGM's Risk Manager, which has identified a P80 risk allowance of circa £1.2 million (or circa 20%) of the GD3 funding. This risk allowance will be held by Oldham as scheme promoter and will sit within the £6 million Growth Deal allocation.

Council Risk Comments

10.2 The risk to the Council is that there is slippage on this programme of work resulting in external funding for these works based on a tight timescale for delivery given the success in bidding from the GMCA. As such the report sets out a proposed manner of delivery which will mitigate this risk

(Mark Stenson)

11 IT Implications

11.1 NONE

12 **Property Implications**

12.1 NONE

13 **Procurement Implications**

13.1 Procurement activity will be carried out in line with the relevant European Union's procurement rules as implemented by UK legislation and UK statutory provision, together with Oldham Council's Contract Procedure Rules (under Section 135 of the Local Government Act 1972).

13.2 A project specific suite of documents has been drafted based on NEC 4 Framework Contract incorporating an Ethical and Compliance Policy encompassing Social Value, apprenticeships and training, National Minimum Wage, National Living Wage and Real Living Wage and SMEs.

13.3 The successful suppliers will be expected to deliver locally and will be monitored to ensure commitments are carried through accordingly.

13.4 The Accessible Oldham works will be managed through Unity Partnership and the Council's Commercial Procurement Unit - Commercial Services, to improve supplier performance and provide reporting and measuring against project deliverables.

14 **Environmental and Health & Safety Implications**

14.1 Environment: The proposals in the Growth Deal 3 programme will support the ambition for Oldham Town Centre to be an exemplar sustainable and low carbon town centre with a number of pedestrian and cycle improvements.

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

15.1 None

16 **Equality Impact Assessment Completed?**

16.1 No
An EIA has not been undertaken on this project as it is not expected to have a negative impact on any of the protected groups. It is expected to have a positive impact on some protected groups as it will be designed in accordance with the relevant guidance in the Design Manual for Roads and Bridges and in compliance with all DDA standards which will mean improved accessibility and safety for non-motorised road users including those with a sensory disability, those in wheelchairs and those with prams and pushchairs.

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 NC-08-20

19 **Background Papers**

19.1 NONE

20 **Appendices**

20.1 NONE

Report to CABINET

Street Bin Replacement

Portfolio Holder:

Cllr B Brownridge Portfolio holder for Neighbourhoods and Culture

Officer Contact: Helen Lockwood, Deputy Chief Executive –
People & Place

Report Author: Glenn Dale
Ext. 4065

22 March 2021

Reason for Decision

To secure funding to replace the street bins, two vehicles and the need to minimise manual handling and reduce the dangers associated with needles and glass contained within street bins.

Executive Summary

The report provides an update on the current position regarding the provision and servicing of street bins across Oldham and the need to secure funding to replace the street bins, two vehicles and the need to minimise manual handling and reduce the dangers associated with needles and glass contained within street bins.

Recommendations

To recommend the report is approved and presented to Cabinet to secure the funding required for option 1.

Street Bin Replacement

1 Background

- 1.1 Oldham Council currently has 1172 public street litter bins servicing the whole Borough, dispersed across each of its district centre's, corridor gateways, main roads, estates, parks, cemeteries and countryside areas also contain litter bins; however, these bins are not included in this figure. The current make-up of these bins covers a wide variety of styles and sizes each having an impact which affects frequency of service and resources are assigned to this operation.

Current Street litter bin distribution based on Districts:

Royton – 96 street litter bins

Shaw & Crompton – 108 street litter bins

Saddleworth & Lees – 174 street litter bins

Failsworth & Hollinwood – 185 street litter bins

Oldham East (incl Town centre) – 228 street litter bins

Chadderton – 146 street litter bins

Oldham West – 235 street litter bins

- 1.2 There has been no large-scale investment in Street bins since 2008. This has resulted in Environmental Services only been able to purchase small numbers of 10 or 20 units at a time from revenue budgets. To control spend, Environmental Services has undertaken minor refurbishment works in order to keep bins in use. Given the age and effects of weather exposure; this including exposure to corrosive road salt, refurbishment has not always been a viable option, therefore much needed litter bins have unfortunately had to be removed from position and no replacements installed.
- 1.3 The current resource of bins placed across the Borough is now reaching the end of its service life, most being in a poor state of disrepair; rusted and failing. With the increase in demand on their use, we are now seeing deterioration at a much faster pace. Pressure continues on the service to install more bins; however, we have now reached a point where we are removing more bins than we can install, and the estate is reducing. Numbers have dwindled over the past few years, decreasing from our last survey in 2016, from some 1450 to its current level of 1172 (public highway bins). Without major investment this figure will continue to fall over the next few years.
- 1.4 Environmental Services currently have revenue commitments on an annual basis to provide consumables for use within street litter bins. This cost varies dependent on service demands, however a considerable quantity (10's thousands) of plastic bags are used each year. Further additional ongoing revenue cost are incurred annually for replacement metal liners; varying annually depending on demand. With no funding available for replacement bins these are only purchased in essential circumstances, if a financially viable repair can be undertaken this is carried out.

2 Current Position

- 2.1 The current servicing of public bins has over the past 5 years incurred significant changes in the way in which the service is delivered. Litter bins had previously been serviced via a standard Monday to Friday work pattern which was deemed ineffective to cope with demand. The service therefore moved to a 7 day; 4 on 4 off working pattern. This allows all bins to be serviced on a continuous 7-day schedule. Currently all public street litter bins are serviced at least once per 8-day shift pattern, with greater priority given to District Centre's, Oldham Town Centre and other major routes throughout Oldham.
- 2.2 Whilst this change has made significant inroads into frequencies at a Neighbourhood level, there are different characteristics and behaviors within local communities which impact on the level of service within an area and the associated costs to the Council in maintaining a reasonable standard of environmental cleanliness. An additional problem is impacting and placing great strain on services as a marked increase in the usage and volumes of waste being deposited within public litter bins is evident.
- 2.3 The tonnages of street litter being collected from mobile staff servicing streets and public street litter bins have seen a significant rise, most noticeably the last 3 years see below: -

2015/16 685 tons
2016/17 701 tons
2018/19 1138 tons
2019/20 1385 tons

The main and most noticeable increase has clearly been seen in the misuse of public litter bins. There has been a large-scale change at a Neighbourhood level of public behavior over the past few years, with the public now depositing large carrier bags of excess household waste into the street bins. This behavioral change places increased pressures on services to empty bins which were previously serviced on a mainly fortnightly cycle, now being serviced 2 to 3 times weekly and, in some cases, increasing to a daily basis.

- 2.4 Currently one vehicle services the street bins with a team of 2 men across both shift patterns and on a continuous rota servicing street bins across the whole Borough. The large-scale increase in waste within and around street litter bins, means that the number of trips each vehicle makes daily to the waste management recycling plant has increased and results in less bins being serviced per each tip journey. As a result, the service times between visits is increased. Subsequently an increase in reports of bins overflowing is in evidence on occasions. This longer frequency in emptying cycles additionally places increased risk of manual handling injury on staff lifting heavy overflowing bins and heavy bags dumped around the bin bases.
- 2.5 At present our only solution is to support servicing where necessary with additional crews and vehicles, removing resources from other essential works.

3.0 New proposal

- 3.1 A new bin location mapping profile will be undertaken based on a more balanced distribution and spacing of proposed new style units, covering primary routes, district centre's, secondary road, primary housing estates, parks, cemeteries, countryside parks and known hot spot locations. This process will enable us to undertake a major overhaul of the current servicing operational requirements, with proposals to make major changes to the existing service regime, thus allowing greater time frames between emptying, reducing numbers of required service visits to the waste recycling centre and allowing greater on job servicing time.

-
- 3.2 Consultation with local Members on proposed locations will be undertaken to ensure that we have understanding and support for these proposals. An engagement plan will be devised and agreed with the portfolio lead prior to wider engagement on the project.
- 3.3 It is proposed that there will be a singular style in terms of design with only one aperture opening, however colour and finish may be different for the various locations; Cemeteries (blue & gold), Parks (green & gold), Countryside (timber effect), standard street bins (black & teal) as an example.
- 3.4 The service will move away from the current bin style of small metal lined units of 90 litre internal capacity with a proposed change to move to a 240 litre bin housing units which will contain a large standard domestic refuse wheelie bin; these provided at fixed cost within a current procurement contract covering Waste Services already.
- 3.5 The new bins will no longer require the constant replacement of plastic bin bags which would normally end up in the waste stream assisting with the councils target of becoming carbon neutral by 2025. The new bins have a greater capacity than the existing bins, with approximately 3 times the waste volume which can be currently held before requiring emptying. This new type of bin will allow for a reduction in the number to be installed, however, keeping the same number as current may allow the option to locate bins in more built up residential areas giving greater widespread coverage than we currently have on non-primary routes. This decision will be made following the consultation and ultimately the level of finance secured for this proposal.



New proposed large capacity metal bin housings containing a standard 240 litre standard wheeled refuse bin.

- 3.6 Proposal to adopt a new style bin with only one small receptacle opening. With the current mis-use issues, a trial of a new design has already been tested across the Borough in areas where misuse has been identified. The new style eliminates the opportunity to force large bags into the bin by only having a limited sized aperture (100mm high x 350mm wide) which can take singular pieces of litter up to and including full size pizza box.



New design - singular aperture

3.7 In addition it is proposed to replace bins within Oldham Town Centre with a new (ecofriendly) solar powered type. These are similar to those currently in use within Manchester City Centre. The town centre bins are serviced on average 4 times a day; sometimes more depending on season. The new bins which utilise solar power to power a compactor, allows a normal 240 litre wheelie bin to hold the capacity of a large commercial 1100 litre bin. Currently across the town centre are some 45 street litter bins, new proposals would vastly reduce this number. These new bins incorporate modern software technology, utilising mobile networks which can update officers directly when they require emptying; this via a smart phone app which staff can access on work devices rather than attending daily on an ad-hoc basis as is the current practice.

This technology can predict patterns of use allowing identification of bins which may not be being used to maximum effect, allowing relocation if required. Bins can communicate back to Environmental Service staff to advise if they become damaged or if a fire started; an issue which has caused costly damage to bins in the past.



4.0 Vehicle replacement

4.1 If the above proposals were accepted it would require the replacement of two existing 3.5-ton crew cab caged vehicles with two new purpose built 7.5-ton small compacting waste vehicles. These new vehicles would take up the role of street litter bin servicing across the whole Borough, but will also take on a secondary role currently serviced by a second crew and vehicle, servicing the existing 19 static dandy staff operating across the districts and main corridor routes. These larger capacity vehicles (3-ton waste carrying capacity) will

allow for a full day servicing of bins, requiring only one recycling site visit either early morning or end of day.

4.2 The proposed vehicle changes will eliminate the ever-present risk to staff of manual handling injuries. The wheelie bin receptacles which are contained in purpose-built housing's, will be wheeled to the new service vehicles and lifted using automated mechanical mechanisms. With the recent events of Covid-19, staff are at higher risk of infection from close contact with household waste, tissues, and other potential areas of infection when servicing small litter bins and removing the bags and addressing overflow waste. The proposed new bins with wheelie bin inserts will vastly reduce direct point contact with waste and provide a safer environment should further infections reoccur in future.

5.0 Revenue cost mitigation

5.1 As part of the proposed changes to public litter bins, the increased size provides the opportunity for plastic panels to be built in as part of the manufacturing process. These panels provide an opportunity to place adverts to 3 sides of the bin. Whilst this can be used to display public service messages regards littering, community activity events, public health notices, there is also a potential revenue opportunity for businesses to place adverts within the panels.

5.2 With up to 800 or 900 new style bins, each has the potential to generate income; similar to the advertising revenue space on highway roundabouts. Market testing will be needed to determine the demand for advertising and the income levels have not as yet been modelled accurately in order to determine the exact levels of income that could be generated.

5.3 Whilst the opportunity to generate income has yet to be fully investigated, the case for reducing current repair and maintenance costs can clearly be evidenced and supports the invest to save proposal detailed in the financial comments below. As a Borough we do suffer from local and outside businesses fly posting on a regular basis, this opportunity would certainly provide an alternate and affordable method of cheap advertising space and hopefully help reduce the issue of fly posting.

5.4 As previously stated the current galvanised steel street bins are coming to the end of their working life. However, if it was felt appropriate these bins could be replaced on a like for like basis.

5.5 In order for these to be replaced there would still be a need for capital investment as identified in the financial implications indicated in item 4 below.

6 Options/Alternatives

Option 1 – New proposal

Capital implications of purchasing				
Vehicle/ bin receptacles	Quantity	Purchase costs £	Useful Economic Life (years)	Total cost (£)
*7.5-ton compactors	2	86000	7	£172,000

Wheelie Bins	1172	35		£41,020
** Wheelie Bin Housing	1152	260.00	15	£299,520
Wheelie Bin installation cost	1152	75		£86,400
Solar-Bin	20	5150	10	£103,000
Solar-Bin installation cost	20	100		£2000
Software and servicing costs for Solar bin	20	Software license £800	Covers 10yrs	£800.00
	20	Maintenance cost per bin £550/5yrs	10	£22,000
Grand Total, with replacement vehicles funded through this program.				£726,770.00
Grand Total if Vehicles funded through Fleet replacement programme.				£554770.00

*It is assumed that the vehicles above will be replaced in line with the annual fleet replacement policy, funded separately.

**Wheelie bin Housing, which can be purchased to suit the location. i.e. Urban or park etc.

6.1 Such as scheme could be implemented on a District by District basis over a two-year period to reduce the significant impact on the capital funding required in any one year. However, there would be a requirement to provide the two compactor loaders from the onset.

6.2 **Option 2 - Replacement of existing street litter bins on a like for like basis.**

Bin receptacles/Consumables	Quantity	Purchase costs £	Useful Economic Life (years)	Total cost (£)
Replacement bins	1172	215	15	£251,980
Installation costs	1172	65		£76,180
Replacement steel liners	1172	70 x 3 over lifetime of bin	3.5	£246,120

Consumables (plastic bags)	1172	Average £13 per bin / annum	£15,236 x 15yr life	£228,540
Grand Total				£802,820.00

***Excluding the purchase of any vehicles.**

6.3 Total storage capacity for litter with existing 1172 x 120ltr bins is 140,640 litres. Proposal will see capacity of 298,480 litres for 1172 x 240ltr of new units.

7 Preferred Option

7.1 Option 1 - to recommend the report is approved to secure the funding required.

8 Consultation

8.1 Discussions have commenced on the principle of replacing the existing street bins and the methods of collection with the District Coordinators to gain their support for the impending change, this in turn will be discussed with ward Councillors. Once approval for the report has been received Officers from Environmental Services will arrange for further consultation discussions to take place. This will include plans of the current locations of all street bins within each District and give members the the opportunity to agree the location.

9 Financial Implications

9.1 Capital Implications

9.1.1 The £705k costs of purchasing new bins and any associated required fleet will be capital expenditure and will be a charge against the People & Place Capital Programme.

9.1.2 The £172k costs related to fleet purchase can be met from within the existing fleet replacement capital programme allocation.

9.1.3 There is no specific allocation within the existing capital programme for the purchase and installation of new bins of £533k. These costs could be financed from the use of Funds for Emerging Priorities held as part of the existing capital programme.

9.1.4 The capital costs of the preferred option are £377k higher than the costs of a like for like replacement. However, a like for like replacement would not resolve the operational issues highlighted in the body of the report.

9.2 Revenue Implications

9.2.1 There are expected to be reduced ongoing revenue costs associated with the preferred option of circa £30k per annum, with the savings associated with the reduction in use of consumables and replacement liners of £32k offset with servicing cost for the solar bins of £2k.

9.2.2 There may also be an opportunity to generate a revenue income from advertising on the new bins. Further work and market testing would be required to determine whether this is a feasible option and, if so, the quantum of income that could be expected to be generated.

(James Postle)

10 **Legal Services Comments**

- 10.1 Under section 5 of the Litter Act 1983 the Council may provide and maintain in any street or public place receptacles for refuse or litter and under section 185 of the Highways Act 1980 the Council may provide and maintain in or under a street orderly bins or other receptacles, of such dimensions and in such positions as the Council may determine, for the collection and temporary deposit of street refuse and waste paper. It shall be the duty of the Council to make arrangements for the regular emptying and cleansing of any litter bins provided or maintained by them under section 5 of the Litter Act or under section 185 of the Highways Act and the Council has the power to cleanse and empty litter bins provided in any street or public place by them or any other person. (A Evans)

11. **Co-operative Agenda**

- 11.1 The issue of area and street cleaning is closely aligned to the Council's Love Where You Live approach to engaging with communities. The proposals will continue to build upon the Council doing their bit whilst expecting communities to do their bit and providing a better environment for all as a result.

12 **Human Resources Comments**

- 12.1 In spite of a reduction in manual handling, needle stick injuries and the reduction in direct contact with waste materials, appropriate training including any health and safety issues will need to be reviewed and provided as part of the new method of working and equipment. (Stewart Hindley, Strategic HR Business Partner)

13 **Risk Assessments**

- 13.1 None at this stage.

14 **IT Implications**

- 14.1 None at this time.

15 **Property Implications**

- 15.1 None.

16 **Procurement Implications**

- 16.1 The Commercial Procurement Unit supports the recommendation outlined in the report which bring efficiencies to the waste collection process and potential savings and income. Procurement will support Environmental Services to ensure that any procurement for the items identified will be carried out in line with the Council's Contract Procedure Rules and Government Guidelines. (Emily Molden)

17 **Environmental and Health & Safety Implications**

- 17.1 This work is designed to support a holistic approach to improving the local environment. There will be a reduction in Manual Handling and needle stick injury, and reduction in the contact with waste products highlighted as a risk throughout the current Cvoid-19 pandemic. (Matthew Hill)

-
- 18 **Equality, community cohesion and crime implications**
- 18.1 There is clear evidence to an improved environment supporting community cohesion.
- 19 **Equality Impact Assessment Completed?**
- 19.1 N/A
- 20 **Key Decision**
- 20.1 Yes
- 21 **Key Decision Reference**
- 21.1 NC-01-21
- 22 **Background Papers**
- 22.1 Tender documentation will be held and referenced if approval is granted.
- 23 **Appendices**
- 23.1 N/A



Report to CABINET

Telephony Modernisation

Portfolio Holder:

Councillor Abdul Jabbar, Cabinet Member for Finance & Green

Officer Contact:

Richard Holt – Chief Technology Officer, Unity Partnership

Report Author:

Richard Holt – Chief Technology Officer, Unity Partnership

Email: Richard.Holt@unitypartnership.com

22 March 2021

Reason for Decision

Since c.2004 Oldham Council has maintained a fixed-desk telephony and contact centre system that is out of date and in need of significant investment. This paper describes an opportunity to move to modernise the Council's Telephony system.

Recommendations

- To approve the preferred option in 4.3

TELEPHONY MODERNISATION

1 Background

- 1.1 Oldham Council currently uses a Mitel fixed-desk telephony service that enables internal and external telephone calls and provides Contact Centre functionality. This telephony system has been maintained in Oldham Council since c.2004, a number of key components are now falling end of life and would require significant investment. Nowadays there are more modern ways to provide a telephony service to organisations such as Oldham Council (and its Partners) that can better enable key Council strategies.
- 1.2 Modern, Public Cloud hosted, telephone systems can be accessed from anywhere, securely over the internet, and on a variety of devices including laptops, smartphones as well as traditional handsets. This type of provision is more suited to an organisation looking to enable remote working.
- 1.3 This approach positions Oldham Council to better serve our residents by keeping pace with wider technology trends. These include falling use of conversations via telephone and other modes of communication such as Teams and WhatsApp becoming more prevalent. Ofcom data shows this trend of falling voice calls and text messaging and increasing data consumption. The approach avoids significant investment in creating fixed capacity in council hosted systems, instead consuming a provision that can scale up, or down, depending on needs and is better placed to adapt and evolve with technology advances.
- 1.4 The proposed telephony provision is an enabler for emerging strategies and supports the following:
 - a. The Assets and Accommodation Strategy, by removing fixed telephones from most desks to enable greater flexibility for staff;
 - b. The Digital Strategy, by enabling fewer, better points of contact for residents;
 - c. Place Based Working, by enabling partner organisations to use the same telephony system on their mobile device.

2 Current Position

- 2.1 Oldham Council currently maintains a traditional, fixed desk telephony system provided by Mitel. Since 2004 this system has grown and adapted and now requires significant investment to bring it in line with the current standards and the council's needs. The system doesn't currently cater for remote working and lacks many modern features.
- 2.2 If left, the current provision will become less reliable and pose cyber security risks for Oldham Council.
- 2.3 Additionally, our staff have access to systems with overlapping features.
 - a. Microsoft Teams
 - b. Mitel Fixed Desk Telephony
 - c. A mobile phone (where necessary)

3 Options/Alternatives

3.1 Do nothing.

This option will see Oldham Council retain the outdated telephone system resulting in reliability and cyber security issues. This will be a strategic barrier.

Annual charges for mobile phones and fixed desk telephony remain the same.

3.2 Upgrade the current system.

This option would upgrade the current system, bringing it up to date with modern components, including those needed for Agile working. This would cost a projected £1.9m over 5 years and is not a good strategic fit.

3.3 Migrate to Cloud telephony system.

Allocate £1.6m from the current ICT Capital Programme to fund moving to a modern cloud-based Telephony system. This option is a strategic enabler, improves service availability and resilience and reduced cyber security risks.

4 Preferred Option

- 4.1 The preferred option is 3.3, Migrate to a Cloud telephony system.

5 Consultation

- 5.1 The approach has been circulated and endorsed by relevant council governance forums. Responses from specific areas can be found in sections 6 to 14 below.

6 Financial Implications

6.1 Revenue implications

The current revenue costs for telephony are £343k per annum. The breakdown is as follows.

- Daisy £62k p.a. – the Daisy contract ceases on the 31st March 2021. There is no budgetary provision beyond this period.
- Mitel £71k p.a. – this is included in the ICT core fee which is fully budgeted.
- EE £210k p.a. – costs in relation to the mobile phone contract are a direct charge to service budgets across the Council.

Upgrading the Mitel system would see an increase in Mitel/Daisy costs of £177k per annum. This would represent a revenue budget shortfall of £106k per annum for ICT.

The public cloud hosted solution would see costs reduce from 21/22 and based on the current budget of £71k would represent a saving of £18k to the ICT core fee. Beyond 21/22 there will no ongoing costs therefore there will be a saving of £71k to the ICT core fee. This saving would be fully utilised to address additional costs for the WAN programme which are currently unbudgeted.

EE costs in all scenarios will see a reduction of £50k per annum based on currently users.

(Nicola Harrop – Finance Manager)

6.2 Capital implications

The capital cost of the project will be £1.600m. There are resources available from within the Council's current ICT capital programme to finance the cost of the upgrade to the telephony system. The project is a key element of the Council Capital ICT Strategy on the Mobility principle which enables staff to work from where they need to, not where they have to and involves modernising end user devices.

(Lee Walsh – Finance Manager)

7 Legal Services Comments

7.1 There are no immediate legal issues arising from the report.

(Colin Brittain – Assistant Borough Solicitor)

8 Co-operative Agenda

8.1 This would act as an enabler for the integrated financial, support, advice and advocacy place-based offer in-particular that is currently under development.

The fact that this can be used by partners including those that have MS teams (like housing providers, Citizens Advice, commissioned services such as Positive Steps Early Help, etc.) is a real advantage and provides the critical step between remote and face to face help which is really needed.

This will be particularly useful for residents who are not coping and require some help especially with a few issues and could prevent the need for much face to face which can be

kept to an absolute minimum for complex cases or particular cohorts (e.g. those not digitally enabled).

(Vicky Sugars – Head of Reform)

9 Human Resources Comments

- 9.1 HR are in support of the approach and the intended outcomes. This is an enabler to agile working. We will work with ICT to help deliver the plan and we note the changes for starters and leavers that need to be considered at an appropriate point.

(Claire Ingle – Senior Strategic HR Business Partner)

10 Risk Assessments

- 10.1 In devising its preferred solution for telephony, the Council will need to consider from a risk perspective:

- Back-up arrangements in place including resilience and speed of recovery should the council be subjected to a serious cyber-attack.
- Technology which reflects the move to increased long term flexible working by staff not based as much in an office environment.
- Complies after installation with an appropriate security standard to minimize the risk of a security breach linked into a cyber incident.

The replacement of the present telephone system offers the opportunity to replace a technology asset with a more resilient system in the future

(Mark Stenson – Head of Corporate Governance)

11 IT Implications

- 11.1 This business case forms part of ICT Strategy and Roadmap and is a key component necessary for modernising the Council's interaction with residents.

(Chris Petrie – Head of ICT)

12 Property Implications

- 12.1 This proposal accords with the digital transformation initiative and would support more agile and working differently approaches, as part of the property related Accommodation Strategy.

(Peter Wood - Head of Strategic Assets & Facilities Management)

13 Procurement Implications

13.1 The Commercial Procurement Unit supports the recommendations outlined in the report. The procurement of the Unified Comms Platform will be via Crown Commercial Services Framework Agreement Network Services 2 RM3808 Lot 4 Direct Award.

(Senga Henstock – Unity ICT Senior Buyer)

14 Environmental and Health & Safety Implications

14.1 No comments.

Neil Crabtree (Head of Service – Public Protection)

15 Equality, Community Cohesion and Crime Implications

15.1 None.

16 Implications for Children and Young People

16.1 None.

17 Equality Impact Assessment Completed?

17.1 No.

18 Key Decision

18.1 Yes FG-01-21



Report to CABINET

Construction Framework Delivery and Management Partner Concession Contract

Portfolio Holder:

Councillor Abdul Jabbar, Deputy Leader

Officer Contact: Mike Barker, Strategic Director of Commissioning

Report Author: Emma Tweedie, Senior Category Manager

22nd March 2021

Reason for Decision

A decision to award a Concession Contract to Procure Partnerships Limited following a fully compliant procurement process will enable them to commence working with the Council to procure a Construction Works Framework. A decision to delegate authority to the Director of Economy in consultation with the Director of Finance and Director of Legal Services to award the planned Framework on behalf of the Council, and authorise the Director of Legal Services to sign the contractual documentation and any incidental and ancillary documentation to enable the required deadlines to be achieved.

Executive Summary

The purpose of the report is to request a decision to award the five year Concession Contract to Procure Partnerships Limited (the "Concessionaire") following a fully compliant procurement process to enable the Council and the Concessionaire to commence working together to procure a Construction Works Framework which will facilitate the award of contracts from the Council's own projected pipeline of works requirements. By virtue of procuring the Framework in a manner which enables it to also be used by other Public Sector Bodies, the planned Framework is also expected to generate a monetary income for the Council and the Concessionaire which will contribute to the Council's challenging savings targets.

Recommendations

The Cabinet is recommended to:-

1. Approve the award of a Concession Contract to Procure Partnerships Limited.
2. Delegate authority to the Director of Economy, in consultation with the Director of Finance and Director of Legal Services, to award the Framework contract on behalf of the Council.
3. Authorise the Director of Legal Services or his nominated representatives to sign and/or affix the Common Seal of the Council to all contractual documentation and associated or ancillary documentation required to give effect to the above authorisations, delegations and recommendations in this report.

Construction Framework Delivery and Management Partner Concession Contract

1 Background

- 1.1 A procurement exercise was undertaken to implement a new procurement initiative; to appoint a Construction Framework Delivery and Management Partner pursuant to the Concession Contracts Regulations 2016 (the “Concessionaire”) for a five year term, to work in partnership with the Council to procure, let and manage a Construction Works Framework. The Framework will facilitate the award of the Council’s own projected pipeline of works requirements and will be made accessible to other North West Public Sector Bodies (Local Authorities, Universities, NHS Trusts etc.).

The Concessionaire is to make all necessary commitments and investments; resources, financial or otherwise, to work in partnership with the Council to establish the Framework and will not receive any consideration or payment from the Council for the whole of the services to be delivered under the Concession Contract. The Council and the Concessionaire will generate a monetary income when call-offs/contract awards are made by the other Public Sector Bodies.

The monetary income is to be generated through a percentage levy being inbuilt into the cost model of the Framework which is then applied to/calculated on the value of the contract the end-user/other Public Sector Body awards under the Framework. The precise detail of the Framework’s cost model will not be established until the Concessionaire is appointed and works in partnership with the Council to agree the full procurement strategy and commercial model for the Framework.

- 1.2 On 16th November 2020 the Council’s Commercial Procurement Unit dispatched an OJEU Prior Information Notice to support its research and survey market interest. Two organisations responded. The market was found to be small and the services relatively niche. A limited number of tender returns were therefore anticipated. A Concession Notice was dispatched, and on 18th December 2020 the open tender documents were released in full compliance with the Concession Contracts Regulations 2016 and Council’s Contract Procedure Rules. The tender deadline was 19th January 2021.
- 1.3 The tender documents stipulated the evaluation criteria: 60% of marks were assigned to technical criteria including business planning and marketing, resourcing and delivery, social value, framework management, mobilization and action planning. 40% of marks were assigned to the commercial model, forecast and guaranteed monetary income amounts. It was mandatory that any tenderer accepted the Council’s bespoke concession contract terms and conditions published with the tender documents.

2 Current Position

- 2.1 One response was received from Procure Partnerships Limited by the deadline.
- 2.2 The response was evaluated by the Commercial Procurement Unit to be compliant and favourable; passing all due diligence assessments including but not limited to those in

respect of financial standing, insurances, and grounds for mandatory and discretionary exclusion. They accepted the Councils concession contract terms and conditions in full.

- 2.3 Procure Partnerships Limited have a demonstrable track record in contracting and working in partnership with Public Sector Bodies, to deliver and manage construction frameworks which generate a monetary income.
- 2.4 Income would be collected by the Council at regular intervals across the four year term of the Framework. In addition to the planned Framework bringing efficiency benefits to the Council for the award of its own pipeline of works, this income would contribute significantly towards the Council's savings targets.
- 2.5 The Council is not required to make any financial investment.
- 2.6 In addition to the monetary income, Procure Partnerships Limited would also contractually commit to delivering over £200,000 of social value (calculated using the National TOMS) during the five year term of the concession contract in the form of:
- More Local People in Employment
 - More Opportunities for Disadvantaged People
 - Improved Employability of Young People
 - Improved Skills for Local People
- 2.7 The procurement evaluation process is complete. Should the decision to award to Procure Partnerships Limited be made, the Concession Contract will be executed, and work towards procuring the Framework will begin immediately.

3 Options/Alternatives

- 3.1 Option A – Do not award the Concession Contract to Procure Partnerships Limited. The Council would not be able to procure, let, manage and market to other Public Sector Bodies a construction works framework of scale independently, and would therefore not benefit from the Framework efficiency gains when awarding its own works projects, nor generate any monetary income to contribute towards its challenging savings targets, nor deliver the social value benefits.
- 3.2 Option B - Award the Concession Contract to Procure Partnerships Limited, delegate authority to the Director of Economy in consultation with the Director of Finance and Director of Legal Services to award the planned Framework on behalf of the Council, and authorise the Director of Legal Services to sign the contractual documentation and any incidental and ancillary documentation to enable the required deadlines to be achieved. This will enable the Council to commence working with Procure Partnerships Limited without delay so as to make it possible to procure, let and mobilize the planned Framework for the start of the Councils 2022/23 financial year, benefit from the Framework social value add and efficiency gains when awarding its own works projects under the Framework, generate a monetary income to contribute towards its challenging savings targets, and enable the Concessionaire's delivery of over £200,000 of social value to commence in the form of employment and work placements for local people.

4 Preferred Option

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- 4.1 Option B is preferred. The decision to award the Concession Contract would enable the Council to proceed to work in partnership with Procure Partnerships Limited, making it possible to achieve mobilizing the planned Framework for the start of the Councils 2022/23 financial year. This would enable the Council to start benefitting from social value add, efficiency gains when awarding its own works projects under the Framework, and from year on year monetary income to contribute towards savings targets.

The subsequent letting of the planned Framework does not involve the commitment of any expenditure by the Council. Each and every Oldham Council works project which may be awarded under the Framework in future, and which would require commitment of expenditure, would be reported on separately under the Council's scheme of delegation and governance process.

5 **Consultation**

- 5.1 The nature of the decision does not require external consultations from community groups or otherwise.

6 **Financial Implications**

- 6.1 It is not intended that the Concessionaire will receive any consideration or payment from the Council for any of the services to be delivered under the Concession Contract. The Concessionaire will generate revenues for itself (and the Council) by charging a fee, based on a percentage of the value of works contracted through the Framework/Concession.
- 6.2 The total amount of income generated will be dependent on the value of works commissioned via the new Framework by other Public Bodies. The Council's Commercial Procurement Unit have confirmed that no fees will be paid (directly or indirectly) on any works commissioned by the Council as the Council will be the legal owner of the Framework.
- 6.3 The Council itself will not guarantee to award construction projects under the Framework, but where it is appropriate to do so any award will be undertaken in line with current Council procedures, and will be reported separately under the Council's scheme of delegation and governance processes. (James Postle)

7 **Legal Services Comments**

- 7.1 The Council has followed an open tender process in accordance with the Council's Contract Procedure Rules to procure a concessionaire to work with the Council to achieve its ambition to develop a public works framework agreement which can be used by the Council and other named contracting authorities in the north west region. Legal Services procured external legal advice to support the delivery of this project including advice regarding the legal structure, the contract notice and a bespoke concession agreement. Under a concession contract the concessionaire bears the risk with regard to the projected income generation. (Elizabeth Cunningham Doyle)

8. **Co-operative Agenda**

- 8.1 The Concession Contract supports the Council's commitment to developing a co-operative future by maximising the benefits the Council is able to deliver for our communities and the North West Public Sector Bodies with limited resources. In addition to monetary income to support budgets, the Concession Contract will deliver over

£200,000 of social value in the form of employment and work placements for local people. The planned Framework itself will then be enabled as a vehicle for implementing a dedicated programme of social value activities within Oldham, in addition to supporting delivery of the social, economic and environmental aims of the Council's individual regeneration projects let thereunder. The Framework procurement process will seek to engage local contractors which may have the potential to be awarded a place on the Framework providing a gateway to public sector works opportunities in the North West.

9 Human Resources Comments

9.1 Not applicable.

10 Risk Assessments

10.1 The risk to the Council is that the proposed Concession Contract does not generate the income stream envisaged as the Framework does not attract the external interest from other organisations. (Mark Stenson)

11 IT Implications

11.1 None

12 Property Implications

12.1 None

13 Procurement Implications

13.1 The Council dispatched an OJEU Prior Information Notice (PIN) in November 2020 to support its market research and inform this procurement initiative and strategy. The procurement process was conducted in full compliance with the Concession Contracts Regulations 2016 and the Council's Contract Procedure Rules. The tender submission from Procure Partnerships has been fully and rigorously evaluated, and the commercial proposition is considered to be financially viable and sustainable for both the Council and the Concessionaire. This initiative will raise the profile of the Council within the North West and will create much needed income into The Authority as well as supporting our Social Value responsibilities.

Steve Boyd, Interim Head of Procurement

14 Environmental and Health & Safety Implications

14.1 None

15 Equality, community cohesion and crime implications

15.1 None

16 Implications for Children and Young People

16.1 None

17 Equality Impact Assessment Completed?

17.1 No. Not applicable.

18 **Key Decision**

18.1 Yes

19 **Key Decision Reference**

19.1 The reference number of the item which gives notice of the intention to make this decision is FG-03-21.

20 **Background Papers**

20.1 Not applicable.

21 **Appendices**

21.1 Not applicable.

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Report to CABINET

Request for approval to collaboratively commission an Integrated Sexual Health Service with Rochdale and Bury Councils

Portfolio Holder: Councillor Chauhan, Cabinet Member Health and Social Care

Officer Contact: Katrina Stephens, Director of Public Health

Report Authors: Rebecca Fletcher, Consultant in Public Health and Andrea Entwistle, Public Health Business and Strategy Manager

22nd March 2021

Reason for Decision

To ensure that Oldham has a high quality integrated sexual health service to support population health and meet our mandated responsibilities for open access sexual health services.

Executive Summary

The current Integrated Sexual Health Service has been provided by the current provider since January 2016 as part of a cluster commissioning arrangement with Bury and Rochdale Councils. In June 2020, Cabinet agreed to extend the contract, under Regulation 72 (1)(c) of the PCR2015, for a period of 12 months (1 April 2021 to 31 March 2022) due to the COVID-19 outbreak.

This paper outlines proposals to recommission the service, with the same cluster arrangement, and proceed to market for procurement of a new service for commencement from 1 April 2022. Rochdale Council would act as the lead commissioner for the service, and STAR Procurement (Stockport, Trafford and Rochdale Procurement) would lead the procurement.

Recommendations

Cabinet is requested to:

1. Approve the request to proceed to market for the procurement of an Integrated Sexual Health Service in collaboration with Rochdale and Bury Councils.
2. Approve the decision for STAR procurement to lead on the process on behalf of Oldham Council.
3. Delegate authority to the Director of Public Health, in consultation with the Cabinet Member for Health and Social Care, to approve the recommendation of the evaluation panel, in accordance with the results of the tendering exercise (based on quality, social value and financial modelling), on behalf of Oldham Council.
4. Delegate authority to Rochdale Council to award the contract post tender evaluation on behalf of Oldham Council.

Request for approval to collaboratively commission an Integrated Sexual Health Service with Rochdale and Bury Councils**1. Background**

- 1.1 Good sexual health is important to individuals, but it is also a key public health issue. Sexual ill health and wellbeing is strongly linked to deprivation and health inequalities and presents a significant cost to society as well as to the individual. Sexual and reproductive health is not just about preventing disease or infection. It also means promoting good sexual health in a wider context, including relationships, sexuality and sexual rights.
- 1.2 The Health and Social Care Act 2012 divided responsibility for commissioning sexual health, reproductive health and HIV services between local government, CCGs and NHS England. Local authorities are mandated to commission and fund comprehensive, open-access HIV/STI testing services; STI treatment services (excluding HIV treatment); and contraception services for the benefit of all persons of all ages who present in their area. Integrated Sexual Health Services (ISHS) include contraception and sexual health [CASH, also known as family planning] and genito-urinary services [GUM].
- 1.3 Across England there is considerable regional variation in how sexual health services are provided and commissioned. They vary from distinctly separate general practice and community-based contraceptive provision with hospital-based abortion and genito-urinary medicine (GUM) services, to fully integrated sexual health services in the community. The variations occur because of differences in commissioning and contractual models used in local areas.
- 1.4 Public Health England (PHE) in its 'Making it Work' guide to whole system commissioning for sexual health, reproductive health and HIV highlights the benefits of establishing collaborative arrangements. These arrangements ensure services provide value for money, make best use of skills, expertise and resources and secure the efficiencies of a larger footprint whilst remaining sensitive to local needs.
- 1.5 The Greater Manchester (GM) Sexual Health Strategy's vision is to improve sexual health knowledge, provide accessible sexual health services, improve sexual health outcomes and achieve HIV eradication in a generation. The ten local authorities of Greater Manchester have taken a collaborative approach to the commissioning of integrated sexual and reproductive health services in order to maintain consistent sexual health provision across all of GM whilst reducing the costs of providing sexual and reproductive health services and minimising the risk of unanticipated or increasing spend. The local authorities, working in clusters and on a phased basis, have procured a number of integrated sexual and reproductive health services for Greater Manchester. Our services operate on an open-access basis and offer the full range of sexual and reproductive healthcare provision.
- 1.6 The specialist Sexual and Reproductive Health system in Greater Manchester experiences significant levels of demand, with over 300,000 face to face appointments taking place each year within specialist clinics. In line with the national picture, there has been an increase in incidence of some STIs in Oldham, Rochdale and Bury, including syphilis and gonorrhoea. The provision of PrEP (Pre-Exposure Prophylaxis for HIV) has also increased the demand on services.

-
- 1.7 Integrated Sexual Health Services contributes to several key public health outcomes including reducing STIs, reducing unwanted pregnancies, and reducing repeat abortions.

2. Current Position

- 2.1 The current contract for the delivery of Integrated Sexual Health Services is a collaborative commissioning contract between Oldham Council, Bury Council and Rochdale Council (North East Sector [NES]) and has been in place since January 2016. Rochdale are the lead commissioner of this cluster arrangement and arrangements between the three Councils are set out in a tripartite legal agreement.
- 2.2 A procurement exercise was originally scheduled to take place during 2020 with the view to going out to tender for a service with a commencement date of 1 April 2021, however, all work in relation to the procurement was suspended as a result of the ongoing global pandemic.
- 2.3 In June 2020, Cabinet agreed to a 12 month contract extension, under Regulation 72 (1)(c) of the PCR2015, to enable appropriate consultation with all stakeholders in relation to pre-procurement planning and to allow for an open and robust procurement process to take place. The current contract ends on 31 March 2022, with no further option to extend.
- 2.4 At contract end, the recommendation is to procure an Integrated Sexual Health Service that aligns to emerging public health priorities, takes into account learning from service delivery during COVID-19 restrictions and addresses identified gaps in service provision.
- 2.5 Further detail regarding preparatory work to date is set out in the report in the restricted part of this agenda.

3. Points to Consider

3.1 COVID Recovery

- 3.1.1 We are continuing to respond to the global COVID-19 pandemic at a local, regional, national and international level. Early findings in the December 2020 Public Health England (PHE) Report 'The impact of the COVID-19 pandemic on prevention, testing, diagnosis and care for sexually transmitted infections, HIV and viral hepatitis in England'(using provisional data from January to September 2020) indicate that the COVID-19 pandemic response, including social and physical distancing measures, has led to a re-prioritisation and disruption in provision of, and patient access to, health services for HIV, STIs and viral hepatitis.
- 3.1.2 It is anticipated that there will be an increase in demand as COVID restrictions around social distancing are lifted. A resurgence in HIV, STIs and hepatitis tests and diagnoses, and an increase in hepatitis C virus (HCV) treatment initiations, were observed from June 2020, following the easing of national lockdown restrictions. This reflected a partial recovery in service provision and demand. Nevertheless, numbers of consultations, vaccinations, tests, diagnoses, and treatment initiations in the summer of 2020 were considerably lower than in corresponding months in 2019. Significant planning is underway to ensure that robust system-wide recovery plans are in place to meet this anticipated increased demand and reduce the risk of further impact on population health, as a result of unmet demand or delayed response to need.
- 3.2 Further points to consider are set out in the report to be considered in the restricted part of this agenda.

4. Options

4.1 These are set out in the report in the restricted part of this agenda.

5. Preferred Option

5.1 This is detailed in the report in the restricted part of this agenda.

6. Financial Implications

6.1 These are set out in the report in the restricted part of this agenda.

7. Legal Services Comments

7.1 These are set out in the report in the restricted part of this agenda.

8. Co-operative Agenda

8.1 All Public Health services fully support the Council's cooperative agenda as they promote the active engagement of Oldham residents and providers delivering in Oldham in Thriving Communities, Co-operative Services and an Inclusive Economy.

9. Human Resources Comments

9.1 None

10. Risk Assessments

10.1 As set out in the report in the restricted part of this agenda.

11. IT Implications

11.1 None

12. Property Implications

12.1 These are set out in the report in the restricted part of this agenda.

13. Procurement Implications

13.1 These are set out in the report in the restricted part of this agenda.

14. Environmental and Health & Safety Implications

14.1 None

15. Equality, community cohesion and crime implications

15.1 Local authority commissioned integrated sexual and reproductive health (SRH) services are required to be open access, so people can choose where they attend, anywhere in the country. Many people choose out of borough services but most people in Greater Manchester (GM) attend services within GM. For sexual health services, the authority where the individual is resident is required to pay for service use wherever that is.

15.2 The GM sexual health commissioners from each Local Authority have worked together to provide shared service specifications and standards, to ensure that people are offered a consistent service, wherever they choose to attend.

16. Equality Impact Assessment Completed?

16.1 Yes – available upon request

17. Key Decision

17.1 Yes

18. Key Decision Reference

18.1 HSC-01-21

19. Background Papers

19.1 None

20. Appendices

20.1 These are included in the report in the restricted part of this agenda.

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of the Local Government Act 1972.

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