#### Public Document Pack



#### **CABINET**

#### Agenda

Date Monday 13 December 2021

Time 6.00 pm

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

Notes

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

Entwistle or 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, 8 December 2021.
- 4. FILMING The Council, members of the public and the press may record / film / photograph or broadcast this meeting when the public and the press are not lawfully excluded. Any member of the public who attends a meeting and objects to being filmed should advise the Constitutional Services Officer who will instruct that they are not included in the filming.

Please note that anyone using recording equipment both audio and visual will not be permitted to leave the equipment in the room where a private meeting is held.

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 Akhtar, Chadderton, Chauhan, Jabbar, Moores, Mushtaq, Roberts, Shah and Stretton

#### Item No

- 1 Apologies For Absence
- 2 Urgent Business



	Urgent	business,	if any,	introduced I	by the	Chair
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- 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 meeting held on 15th November 2021 (Pages 1 6)
- Revenue Monitor and Capital Investment Programme 2021/22 Quarter 2 September 2021 (Pages 7 62)
- 7 Schools National Funding Formula (Pages 63 82)
- Approval of Heads of Terms for a lease agreement with the SofS and free school trust for the former North Chadderton Lower School site, Oldham, OL9 0JY (Asset L00183) (Pages 83 86)
- 9 Land at Salmon Fields, Royton, Oldham (Pages 87 90)
- 10 Oldham Performance Space: Design Team appointment (Pages 91 98)
- Approval to delegate the decision to award CSC integrated commissioning services contract from 1st April 2022 (Pages 99 104)
- 12 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.

- Approval of Heads of Terms for a lease agreement with the SofS and free school trust for the former North Chadderton Lower School site, Oldham, OL9 0JY (Asset L00183) (Pages 105 118)
- 14 Land at Salmon Fields (Pages 119 134)
- 15 Oldham Performance Space: Design Team appointment (Pages 135 144)
- Approval to delegate the decision to award CSC integrated commissioning services contract from 1st April 2022 (Pages 145 150)

## Public Document Pack Agenda Item 5 CABINET 15/11/2021 at 6.00 pm

Council

Present: Councillor Shah (Chair)

Councillors Chadderton, Chauhan, Jabbar, Mushtaq, Roberts,

Shah and Stretton

#### 1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Akhtar and Moores.

#### 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 18TH OCTOBER 2021

RESOLVED - That the minutes of the meeting held on 18<sup>th</sup> October 2021 be approved as a correct record.

## 6 OLDHAM COUNCIL CORPORATE PEER CHALLENGE: ACTION PLAN

Consideration was given to a report of the Chief Executive which provided details of the Oldham Council Corporate Peer Challenge Action Plan.

Oldham Council undertook a voluntary Corporate Peer Challenge between 21<sup>st</sup>-24<sup>th</sup> January 2020 which was facilitated by the Local Government Association and undertaken by senior elected members and Chief Officers across Local Government and the Voluntary Sector.

The Action plan at appendix 1 to the report set out the Council's response to the recommendations contained within the feedback.

#### Options/alternatives

Option 1 – The Council committed to publishing an action plan in response to the Peer Challenge and Cabinet were asked to agree the plan

Option 2 – Not to agree the Action Plan.

RESOLVED – That the contents of the report be noted and the Oldham Council Corporate Peer Challenge Action Plan as detailed at appendix 1 to the report be agreed.

#### 7 FINAL ACCOUNTS 2020-21

Consideration was given to a report of the Director of Finance which provided the Cabinet with the approved 2020/21 audited Page 1

Statement of Accounts and External Auditor (Mazzars LLP) Audit Completion report (ACR).

The report presented the Council's Statement of Accounts for the financial year 2020/21 as considered by the Audit Committee on 29<sup>th</sup> July 2021. Delegated Authority was given to the Vice-Chair of the Audit Committee after consultation with the Director of Finance to approve the accounts, pending the completion of the outstanding work on the Council's group accounts, IT audit and the receipt, by the external auditor of assurances with regard to the audit of the Greater Manchester Pension Fund.

Oldham Council

The accounts were subsequently approved on the 30<sup>th</sup> September 2021 within the statutory deadline.

Options/alternatives considered No option was presented to Cabinet, other than to note the final accounts position 2020/21.

#### RESOLVED - That:

- The Council's final accounts position for 2020/21, the audited Statement of Accounts, the draft Audit Completion Report and subsequent letter entitled Completion of Pending Matters – Audit Completion Report be noted.
- 2. The audit of the accounts for 2020/21 by the External Auditors Mazars LLP could only be finalised once the Value for Money (VFM) opinion was provided and Whole of Government Accounts (WGA) audit was completed and that a further report outlining the VFM and WGA final positions would be presented. This report and Statement of Accounts be commended to Council

#### 8 TREASURY MANAGEMENT MID YEAR REVIEW 2021/22

The Cabinet gave consideration to a report of the Director of Finance which provided details of the performance of the Treasury Management function of the Council for the first half of 2021/22 and a comparison of performance against the 2021/22 Treasury Management Strategy and Prudential Indicators. The Council was required to consider the performance of the Treasury Management function in order to comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management. This report set out the key Treasury Management issue for Members information and review and outlined:

An economic update for the first six months of 2021/22;

- A review of the Treasury Management Strategy Statement and Annual Investment Strategy:
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2021/22:
- A review of the Council's borrowing strategy for 2021/22;
- Why there has been no debt rescheduling undertaken during 2021/22: and
- A review of compliance with Treasury and Prudential Limits for 2021/22.

Page 2

#### Option/alternatives considered

In order that the Council complies with the Chartered Institute of Public Finance Code of Practice of Treasury Management the Council has no other option but to consider and approve the contents of the report.



#### RESOLVED - That:

- 1. That Cabinet approves and commends to Council the:
- 2. The Treasury Management activity for the first half of the financial year 2021/22 and the projected outturn position be approved and commended to Council.
- 3. Amendments to both Authorised Limit and Operational Boundary for external debt as set out in the table at Section 2.4.5 of the report be approved and commended to Council.
- 4. Amendments to the Capital Financing Requirement (CFR) as set out in the table at section 2.4.5 of the report be approved and commended to Council.

#### REFRESH OF GREATER MANCHESTER VCSE ACCORD 9

Consideration was given to a report of the Strategic Director of Communities and Reform which provided details od a tri-partite agreement with Greater Manchester Health and Social Care Partnership and the Greater Manchester Voluntary, Community and Social Enterprise (VSCE) Leadership Group on behalf of the VSCE sector in Greater Manchester.

The agreement has an implication for the relationship of all Local Authorities with their local voluntary organisations, community groups and social enterprises. The success of the accord and the shared commitments that it contains will rely on their recognition, adoption and actions at a locality and neighbourhood level. The Combined Authority authorised the Mayor of Greater Manchester, the Greater Manchester Portfolio lead for Community, Co-operatives, Voluntary Sector and Inclusion and the Chief Executive of the Combined Authority to sign the Accord agreement on their behalf and all the Leaders present at the Combined Authority also signed a copy of the Accord following the meeting.

The Leader expressed thanks to the Voluntary Sector for the support and assistance during the pandemic and advsied this was an excellent example of the Council;s commitment to the accord.

#### Options/alternatives considered

Option 1 – To approve and endorse the GM VCSE Accord.

Option 2 – Not to approve the GM VSCE Accord.

#### RESOLVED - That:

- 1. The new Greater Manchester Voluntary, Community and Social Enterprise Accord as presented in the report and the implications and the commitments it contains will have on working with VCSE sector in Oldham be noted.
- 2. The new Greater Manchester Voluntary, Community and Social Enterprise Accord be approved and endorsed, Page 3

noting the work already being untaken in Oldham to deliver on the commitments contained within.

## 10 OLDHAM PERFORMANCE SPACE: DESIGN TEAM APPOINTMENT



Consideration was given to a report of the Director of Public Health and Director of Economy which sought approval of a decision of the appointment of an architect led multi-disciplinary design team, for the Oldham Performance Space project and sought delegation for the appointment of external advisors in the required configuration to support the Council in the delivery of the project.

The Council completed a feasibility exercise for a new theatre and [performance space based within a re-developed Oldham Post Office and former Quaker meeting house at 84 Union Street and have ben successful in obtaining a Towns Fund Grant towards the capital project. The funding was subject to successfully completing Phase 2 of the Towns Find process and submitting a project business case by June 2022. In order to progress into the next phase of the project development, the Council would need to commission a multi-disciplinary design team to develop the design through RIBA stages 2 and 3 and submission of the Planning and Listed Building consent applications.

A fully compliant mini competition tender process had been carried to enable the next phase of design to commence in October 2021.

Options/alternatives considered

Option 1 – Proceed to the next phase of the development Option 2 – Do not appoint the Performance Space design team

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 12 of the agenda before making a decision.

#### 11 **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.

## 12 OLDHAM PERFORMANCE SPACE: DESIGN TEAM APPOINTMENT

The Cabinet gave consideration to the commercially sensitive information in relation to Item 10 Oldham Performance Space: Design Team appointment.

RESOLVED – That the recommendations as contained within the commercially sensitive report be approved.



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#### **Report to Cabinet**



# Revenue Monitor and Capital Investment Programme 2021/22 Quarter 2 – September 2021

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader

and Cabinet Member for Finance & Low Carbon

Officer Contact: Anne Ryans, Director of Finance

Report Author: Anne Ryans, Director of Finance

**Ext.** 4902

13 December 2021

#### **Reason for Decision**

The report provides Cabinet with an update on the Council's 2021/22 forecast revenue budget position at Annex 1 and the financial position of the capital programme as at 30 September 2021 (Quarter 2) together with the revised capital programme 2021/22 to 2025/26, as outlined in section two of the report at Annex 2.

#### **Executive Summary**

#### **Revenue Position**

The current forecast outturn position for 2021/22 is a projected surplus variance of £2.413m after allowing for approved and pending transfers to and from reserves.

The position includes additional costs and pressures that have been identified by the Authority in this financial year as a direct result of the COVID-19 pandemic. The additional pressures include forecasts of both income shortfalls and additional expenditure that have impacted on the Authority's budgets. It should be noted that following a realignment of Portfolios, the Finance Service is now incorporated within the Chief Executive Portfolio, leaving Procurement as the sole service within the Commissioning Portfolio.

The pandemic is continuing to affect nearly all aspects of Council service delivery; the most significant areas of concern remain the People and Place, Children's Services and Community Health & Adult Social Care Portfolios. Action is 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 overall corporate position is partly being offset by the application of £7.737m general COVID support grant and £0.352m from the quarter 1 compensation claim for lost income in relation to sales fees and charges (SFC); in total £8.089m, all of which is received from the Department for Levelling Up, Housing and Communities (DLUHC); formerly the Ministry of Housing Communities and Local Government (MHCLG). In Appendix 1 to the report, the un-ringfenced Government support is presented as a single sum so that it highlights the level of variation across all Council budgets, given that there is insufficient resource to offset the adverse COVID related variance. However, this summary report presents the position after applying the Government grant across Portfolio areas. An update on the major issues driving the revenue projections are detailed within Annex 1, Section 2.

The current projected position, after adjustment for reserves and, as outlined above, receipt of all additional Government funding to support COVID pressures that the Authority is expecting to receive, is showing, for the first time a net underspend, hopefully demonstrating the impact of the service and corporate actions that have been initiated across all service areas to review and challenge planned expenditure and to maximise income. Action will of course continue with the aim of, at the very least, maintaining this position to the end of the financial year.

Information on the Quarter 2 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 £13.712m directly as a result of COVID-19, although Government grant compensation of £9.798 will partly offset this (but not until budget setting 2022/23). Work is continuing to reduce the Collection Fund deficit to reduce any additional budgetary impact in 2022/23. The DSG continues to be an area which is facing a financial challenge, albeit with a reduced projected deficit in 2021/22. 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 2021/22 to 2025/26 for approved schemes. The revised capital programme budget for 2021/22 is £53.043m at the close of Quarter 2, a net decrease of £32.959m from the original budget of £86.002m. Actual expenditure to 30 September 2020 was £13.592m (25.62% of the forecast outturn).

Without doubt the forecast position will continue to change throughout the year with additional re-profiling into future years.

#### Recommendations

That Cabinet approves the:

- 1. Forecast revenue outturn for 2021/22 at Quarter 2 being a £2.413m favourable variance having regard to the action being taken to manage expenditure
- Forecast positions for both the Housing Revenue Account, Dedicated Schools Grant and Collection Fund
- 3. Use of reserves as detailed in Appendix 1 to Annex 1
- 4. Revised capital programme for 2021/2026 as at Quarter 2.

Cabinet 13 December 2020

### Revenue Monitor and Capital Investment Programme 2021/22 Quarter 2 – September 2021

#### 1 Background

- 1.1 The Authority's 2021/22 revenue budget and capital programme was approved by Council on 4 March 2021. Under established budget procedures, all services are required to monitor and review their approved revenue and capital budgets during the financial year. This will be reported to Cabinet on a quarterly basis with an additional report at month 8 which is used to inform the budget setting process for the following financial year.
- 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 Quarter 2 together with known commitments, issues and planned management actions. Due to the requirement to report to the (renamed) Department for Levelling Up, Housing and Communities (DLUHC) about the financial pressures relating to COVID-19, forecasts for Quarter 2 have been based upon the Round 16 Government return which was submitted on 24 September 2021.
  - b) The capital programme forecast has been based on notified revisions to the approved 2021/22 position including the final 2020/21 outturn, new grant, an initial rephasing of the approved capital programme including an assessment of the impact of COVID-19 and also the outcome of the Annual Review.
- 1.3 As the year progresses 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 additional support that the Government may give with regard to additional funding to address the financial challenge created as a result of the pandemic.

#### 2. Current position

- The forecast revenue outturn for 2021/22 is a favourable variance of £2.413m. Further details of the current revenue budget position and a full description of the forecast can be found in Annex 1. The pressures relating to COVID-19 total £11.151m, this reduces to £3.062m with the application of £7.737m of un-ringfenced Government COVID related grant funding and also £0.352 of funding to compensate for lost income in relation to sales, fees and charges. Offsetting the COVID related pressure is a net 'business as usual' underspend of £5.475m, within which it should be noted are areas of forecast overspending, primarily within Children's Services (£1.088m) and Commissioning (£0.525m).
- As advised above, the total Portfolio variances amount to a net favourable variance of £2.413 m as detailed in Annex 1 at Tables 2 and 3. This consists of a COVID related pressure of £3.062m and an operational underspend of £5.475m. This is comprised of People and Place reporting an adverse variance of £0.719m (£0.626m COVID related), Community Health and Adult Social Care reporting a pressure of

- £6.815m (£6.765m COVID related) and Children's Services reporting an adverse variance of £4.281m (£3.193m COVID related). There is a further adverse variance, all attributable to 'business as usual', of £0.525m within Commissioning.
- 2.3 There are favourable variances of £0.991m within Reform, including a COVID related pressure of £0.298m and also £0.224m within Chief Executive, again including a £0.269m COVID pressure. Capital, Treasury and Corporate Accounting is reporting a favourable, operational variance of £5.449m. This highlights the continuing impact of COVID related pressures across all areas of the Council.
- 2.4 It should, however, be noted that at this stage in the financial year, £1.807m of approved 2021/22 budget reductions are, in the first instance, forecast not to be delivered. Alternative savings have been identified for the £1.308m of potentially unachievable budget reductions within Community Health and Adult Social Care, which leaves £0.499m of budget reductions that cannot be offset by alternative means and this variance is included within the quarter 2 forecast.
- 2.5 However, taking an approach to allocating the COVID specific funding so far received/ anticipated against the COVID costs incurred and using the information in Tables 2 and 3 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	Business as Usual Pressure £000	Total Net Pressure £000
People and Place	626	(220)	(290)	116	93	209
Community Health and	6,765	-	(4,847)	1,918	50	1,968
Adult Social Care						
Children's Services	3,193	(43)	(2,257)	893	1,088	1,981
Communities and Reform	298	(40)	(185)	73	(1,289)	(1,216)
Commissioning	-	1	-	-	525	525
Chief Executive	269	(49)	(158)	62	(493)	(431)
Capital, Treasury and	-	1	-	-	(5,449)	(5,449)
Corporate Accounting						
Total	11,151	(352)	(7,737)	3,062	(5,475)	(2,413)

- The current projected position, after adjustment for reserves and receipt of additional Government funding to support COVID pressures, is showing, for the first time an underspend. However, provision has now been made for all the COVID related funding that the Authority is expecting to receive.
- 2.7 There remains a high degree of estimation in relation to the impact of COVID-19. 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 which are both unpredictable and constantly changing. Future reports will advise of the progress of mitigating factors and management actions to control and reduce the forecast deficit.
- 2.8 The impact of the service and corporate actions can be seen as for the first time; the monitoring is forecasting a favourable outturn. Action will of course continue and the

effectiveness of management action will continue to be closely monitored by Directorate Management Teams with regular progress updates being provided to Portfolio holders, all with the aim of, at the very least, maintaining this position to the end of the financial year. Government.

- 2.9 The original approved capital programme for 2021/22 totalled £86.002m. The revised capital programme as at Quarter 2 taking account of approved carry forwards, approved new funding, new schemes and variations and proposed variations/ rephasing gives projected revised expenditure of £53.043m. Actual expenditure at Quarter 2 was £13.592m (25.62% of the forecast outturn). Further details of expenditure and schemes within the capital programme can be found in Annex 2.
- 2.10 The Annual Review of the capital programme has been completed and as a result there has been a major re-profiling and re-alignment of resources incorporated in the forecast at quarter 2, resulting in a net reduction of £35.032m in the level of estimated expenditure.

#### 3 Options/Alternatives

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

#### 4 Preferred Option

4.1 The preferred option is that Cabinet approves all forecasts and changes within this report; option (a) at 3.1.

#### 5 Consultation

5.1 Consultation 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 Implications for Children and Young People

16.1 There are no direct implications for Children and Young People

#### 17 Equality Impact Assessment Completed

17.1 Not Applicable.

#### 18 Key Decision

18.1 Yes

#### 19 Key Decision Reference

19.1 FCL-08-21

#### 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:

File Ref: Revenue Background Papers are contained in Annex 1 including

Appendices 1, 2, 3 and 4

**Andy Cooper** Officer Name:

Contact: 0161 770 4925 (andy.cooper@oldham.gov.uk)

File Ref: Capital Background Papers are contained in Annex 2 including

Appendices A to G

Officer Name: Lee Walsh

Contact No: 0161 770 6608 (lee.walsh@oldham.gov.uk)

#### 21 **Appendices**

#### Annex 1 Revenue Budget Monitoring Report 2021/22 Quarter 2 -

September 2021

Appendix 1 Planned Transfers to and from Reserves at Quarter 2 Appendix 2 Financing of the 2021/22 Revenue Budget at Quarter 2

Ringfenced COVID grants at 2021/22 Appendix 3 Appendix 4 Budget Reduction Summary 2021/22

#### Capital Investment Programme Report 2021/22 Quarter 2 -Annex 2

September 2021

Appendix A SUMMARY – Quarter 2 - Corporate Services Appendix B SUMMARY - Quarter 2 - Children's Services

Appendix C SUMMARY – Quarter 2 - Communities and Reform

Appendix D SUMMARY – Quarter 2 - Community Health & Adult Social Care Appendix E SUMMARY – Quarter 2 - Housing Revenue Account (HRA)

Appendix F SUMMARY - Quarter 2 - People and Place Appendix G SUMMARY – Quarter 2 - Proposed Variations

> 7 Page 13



#### **ANNEX 1**

## REVENUE BUDGET MONITORING REPORT 2021/22 Quarter 2 September 2021

#### 1 Background

- 1.1 The Authority's 2021/22 budget, in the sum of £254.179m was approved by Council on 4 March 2021. This was after the deployment of;
  - £8.793m of recurrent budget reductions approved within the 2021/22 Budget
  - £16.830m of corporate and specific reserves
- 1.2 Under established budget procedures all services are required to monitor and review their approved budgets throughout the financial year and as part of this process a forecast of the year-end position has been prepared by all services. This forecast is based on a comparison of profiled budgets to the actual position as at the end of quarter 2 together with known commitments, issues and planned management actions.
- 1.3 The Council is again this financial year, periodically reporting to the Department for Levelling Up, Housing and Communities (DLUHC); formerly the Ministry of Housing Communities and Local Government (MHCLG) as to the impact of COVID-19 on the financial position of the Council. The forecasts therefore incorporate the round 16 position reported to the MHCLG on 24 September 2021.
- 1.4 The Government (DLUHC) is providing compensation for COVD-19 related losses on Sales, Fees and Charges (SFC) for the first quarter of the financial year only and the Government compensation return was submitted to the DLUHC on 20 October 2021, in the sum of £0.352m and this amount has been used to offset Portfolio pressures in relation to lost income arising from SFC for the first quarter of the financial year. The claim will be assessed by the DLUHC and potentially amended, although all previous claims have been settled in full. Payment is expected in February 2022.
- 1.5 In considering the projections included in the DLUHC returns and in this report, it is important to note that there remains a high degree of estimation in relation to the impact of COVID-19; whilst the vaccination programme continues apace and restrictions were initially eased on 19 July 2021, this is set against continuing increases in the rate of infection and hospital admissions and the confirmation of the reintroduction of limited restrictions and an acceleration in the vaccination and booster programmes effective from 30 November 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 which, as evidenced above are both unpredictable and constantly changing.

#### 2 Current Position

2.1 The current net revenue budget of £268.753m represents an increase of £14.574m against the originally approved budget of £254.179m. The variance since quarter 1 is due to a combination of new un-ringfenced grants and increases to existing funding. The new un-ringfenced grants are set out in the table below, the main contributors

being £1.679m additional Section 31 Grant funding to compensate for the awarding of Business Rate Relief (bringing the total to £9.798m), the inclusion of £1.339m reflecting the awarding of Opportunity Area Funding for Year 5 covering the academic year 2021/22 and £1.214m of COVID-19 – Additional Restrictions Grant (ARG) funding. A full analysis of grant funding changes since quarter 1 is detailed in the table below.

**Table 1 – Additional Funding** 

Additional Government Grants	£000
Additional Section 31 Grant for Collection Fund Deficit (bringing the total to £9.798m)	1,679
Opportunity Area Grant – Round 5	1,339
COVID - Additional Restrictions Grant (ARG)	1,214
Capital grants	499
Early Identification of Autism Grant	300
Levelling Up Fund – Capacity and Resources Grant	125
Local Authority New Burdens - Allergen Labelling	6
Total Additional Government Grants	5,162

A full funding analysis of the net revenue expenditure is shown at Appendix 2.

The current position for 2021/22 at Quarter 2 is a projected favourable variance of £2.413m. A forecast of the year-end position has been prepared by all services. 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. Members will recall that the 2021/22 budget report advised that the Government has awarded £7.737m of un-ringfenced COVID support grant to assist the Council meet the extra costs of addressing the pandemic. This has been retained centrally and applied as a 'bottom-line' adjustment. In this way the full cost of the pandemic is shown against each Portfolio.

**Table 2 - Summary Forecast Revenue Outturn** 

	Budget	Forecast	In Year Transfer To/ (From) Reserves	Variance Quarter 2	Variance Quarter 1
	£000	£000	£000	£000	£000
People and Place	60,151	62,888	(2,018)	719	807
Community Health and Adult Social Care	64,750	71,680	(115)	6,815	8,169
Children's Services	49,324	55,140	(1,535)	4,281	4,257
Communities and Reform	33,773	39,688	(6,906)	(991)	(1,139)
Commissioning	309	834	-	525	226
Chief Executive	17,619	21,846	(4,451)	(224)	(78)
Capital, Treasury and Corporate Accounting	25,292	19,296	547	(5,449)	(4,661)
COVID-19 Funding	7,737	(352)	-	(8,089)	(6,996)
Additional Section 31 grant for Collection Fund Deficit	9,798	-	9,798	-	-
NET EXPENDITURE	268,753	271,020	(4,680)	(2,413)	585
FINANCED BY:					
Collection Fund Deficit	25,456	25,182	ı	(274)	(274)
Use of Reserves to offset	(25,456)	(25,182)	-	274	274
Collection Fund Deficit					
General Use of Reserves	(16,830)	(16,830)	-	-	-
Other Financing	(251,923)	(251,923)		-	-
TOTAL FINANCING	(268,753	(268,753	-	-	-
NET FORECAST VARIANCE	-	2,267	(4,680)	(2,413)	585

- 2.3 The forecast outturn to the end of the year, after a predicted and proposed (net) inyear transfer to reserves totalling £4.680m is a favourable variance of £2.413m. A detailed list of the approved and planned use of reserves at Quarter 2 can be found at Appendix 1. Key financing issues to note are:
  - a) As advised during the 2021/22 budget setting process, there is a movement from reserves of the Section 31 Grant Funding (£25.182m) for Business Rate Relief compensation which was received in 2020/21 and is being used to support the 2021/22 budget. The actual grant received following the full reconciliation undertaken at the 2020/21 year end was £0.274m less than initially anticipated.
  - b) There is a movement to reserves of £9.798m which is the anticipated level of Section 31 funding for Business Rates Relief compensation that the Government has introduced for 2021/22 but was notified after the 2021/22 budget was set. This grant will be used to offset the Collection Fund deficit that will arise in 2021/22 and will need to be addressed in the 2022/23 budget process.
  - c) The Government will provide partial compensation for lost SFC income for the first quarter of 2021/22. The compensation return for the first quarter of the financial year was submitted to on the DLUHC on 20 October 2021. An estimate

of £0.352m has been retained centrally to offset pressures shown within relevant Portfolios.

There are significant variances contained within the projected net overspend. 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. Table 3 below analyses the variance between 'business as usual and COVID; the former being a net underspend of £5.475m. As advised above, the Council has received £7.737m of general COVID support from the DLUHC for the first quarter of 2021/22. Along with the estimate for SFC income of £0.352m, a total of £8.089m COVID-19 funding is being used to offset pressures caused by the pandemic leaving a residual unsupported pressure of £3.062m.

**Table 3 - Analysis of Variances** 

	COVID 19 Costs included in forecasts	Business as Usual	Variance Quarter 2
	£000	£000	£000
People and Place	626	93	719
Community Health and Adult Social Care	6,765	50	6,815
Children's Services	3,193	1,088	4,281
Communities and Reform	298	(1,289)	(991)
Commissioning	-	525	525
Chief Executive	269	(493)	(224)
Capital, Treasury and Corporate Accounting	-	(5,449)	(5,449)
COVID-19 Funding	(8,089)	-	(8,089)
Total	3,062	(5,475)	(2,413)

- 2.5 The People and Place Portfolio has a reported pressure of £0.719m with a proposed net use of reserves totalling £2.018m. Anticipated expenditure relating to COVID-19 accounts for £0.626m of the overspend with a 'business as usual' deficit of £0.093m contributing to the total overspend.
- 2.6 Community Health and Adult Social Care (CHASC) is reporting an overspend of £6.815m, after a £0.115m use of reserves. The adverse variance attributes £6.765m of COVID-19 related expenditure, in the main due to the demand for care packages following hospital discharges, the residual adverse variance £0.050m therefore relates to 'business as usual'.
- 2.7 Children's Services is forecasting an adverse variance of £4.281m of which £3.193m is related to COVID-19 and with a proposed £1.535m use of reserves. There are pressures within two main service areas: Education, Skills and Early Years at £0.186m and more significantly, Children's Social Care at £4.095m.
- Communities and Reform is reporting a favourable variance of £0.991m in the main due to vacancies and the offsetting of costs by COVID-19 grants, resulting in a business as usual favourable variance of £1.289m offset by a COVID pressure of £0.298m. There is a predicted £6.906m use of reserves.

- 2.9 The Commissioning Portfolio, following the re-alignment of the Finance Service to the Chief Executive Portfolio is reporting an overall adverse business as usual variance of £0.525m for Procurement.
- 2.10 The Chief Executive Portfolio is reporting a net favourable variance of £0.224m, although there is a £0.269m COVID-19 pressure, along with Capital, Treasury and Corporate Accounting which is showing an underspend of £5.449m, all of which relates to business as usual.
- 2.11 A more detailed analysis of financial performance and the major variances can be found by Portfolio in the following sections.
- 2.12 It is important to note that a number of 2021/22 approved budget reductions, totalling £1.807m are currently forecast not to be achieved and are therefore rated red 'off track and will not deliver'. There are also amber rated budget reductions 'off track but with measures in place to deliver' linked to these red items. The budget reduction with red and red/amber ratings are as outlined below:

#### **CHASC**

- Maximising independence through alternative models of care-£1.000m of the total £1.500m red rated, with the remaining £0.500m rated amber
- Achieving Better Outcomes: Supported Living and Learning Disabilities-£0.288m
- Out of hours call centre support for Community Health Services £0.020m

Whilst none of these red rated budget reductions will be delivered in year, alternative savings have been identified which will make good the shortfall. In addition, the £0.500m within CHASC rated as amber will need to be monitored to ensure it does not become unachievable.

#### People and Place

 Creating a Better Place – Projects and Assets - of this budget reduction, £0.685m is expected to be delivered, £0.458m is rated amber with £0.398m currently rated red

#### Commissioning

- Staffing reductions in the Procurement Service £0.101m. This will not be delivered
- 2.13 In total, the net position is that £0.499m of budget reductions cannot be offset by alternative means. A schedule and assessment of all the 2021/22 budget reductions is attached as Appendix 4 and a more detailed explanation is provided within the relevant Portfolio summaries in section 3.
- 2.14 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 continues to be monitored via a corporate process. The impact of the service and corporate actions can be seen as for the first time the monitoring is forecasting a favourable outturn. Action will of course continue with the aim of, at the very least, maintaining this position to the end of the financial year. In addition, further measures are being taken to ensure non-essential expenditure is avoided unless there is a business case to support it.

2.15 The effectiveness of management action will be closely monitored by Directorate Management Teams with regular progress updates being provided to Portfolio holders. Following the relaxation of restrictions from 19 July 2021, the local and national position in relation to COVID-19, is still uncertain with the reintroduction of some form of restrictions being discussed as a possibility. Although the economy does seem to be returning towards pre-pandemic activity, it is likely that there will continue to be volatility in the financial position. No additional Government unringfenced financial support is expected beyond that already received and notified.

#### 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 4 - People and Place - Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Environmental Services	53,129	53,121	(473)	(481)
Enterprise and Skills	656	810	-	154
Economic Development	864	3,655	(1,545)	1,271
ICT	4,261	4,108	-	(153)
Customer Services	1,266	1,194	-	(72)
Total Forecast Net Expenditure	60,151	62,88	(2,018)	719

#### Summary

3.1.2 The forecast outturn at Quarter 2 for the People and Place portfolio, including all pressures associated with COVID-19 and use of reserves of £2.018m, is an adverse variance of £0.719m, a favourable movement of £0.088m to the pressure of £0.807m reported at quarter 1.

#### **Environmental Services**

- 3.1.3 The Environmental Services area is forecasting a £0.481m underspend, a favourable movement of £0.075m from that reported at quarter 1 (£0.406m). Variances triggering the overall underspend include:
  - Public Protection is showing a pressure totalling £0.029m, a favourable variance of £0.078m against the £0.107m reported at quarter 1. The overall pressure is principally due to the under-recovery of income within the Licencing and Trading Standards areas of the division.
  - Underspends totalling £0.383m, consisting of £0.262m in Highways Operations (Unity) and £0.121m in Street Lighting (S.38 / S.278 inspection fees). This represents an adverse variance of £0.059m to that reported at quarter 1 (£0.442m) and is due to the re-deployment of resources to support the Building Control function.

• Environmental Services Management is forecast to underspend by £0.127m, a favourable variance to the £0.072m reported at quarter 1 of £0.055m as a result of an increase in cemeteries and crematoria services.

#### Enterprise and Skills

3.1.4 The Enterprise and Skills Directorate is forecasting a pressure of £0.154m, a favourable movement of £0.070m compared to the £0.224m reported at quarter 1. The Town Centre area, which includes the Market Service is currently forecasting a loss for the financial year of £0.168m 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 £0.014m across the Service area.

#### **Economic Development**

- 3.1.5 The Economic Development Directorate is forecasting a pressure of £1.271m after a £1.545m use of reserves. This represents an adverse movement of £0.126m against the pressure of £1.145m reported at quarter 1. The main reasons for the adverse variance are detailed by service area below:
  - There is an estimated pressure against the Corporate Landlord/ Investment Estate totalling £0.843m (£0.720m at quarter 1), of which £0.375m relates to COVID-19 with the remainder relating to long standing issues in this service area.
  - The Catering Service is showing an adverse variance of £0.383m (£0.300m at quarter 1) due to unachievable income against school meals.
  - There is a projected overspend of £0.067m in relation to Strategic Housing (balanced as at quarter 1) relating to the additional temporary accommodation costs.
  - The Car Parking budget is showing a balanced budget at quarter 2, a favourable variance to that shown at quarter 1 of £0.168m as a result of an increase in penalty charge notices and introduction of flexible parking permits.
  - The Cleaning Service is projecting a favourable variance £0.022m relating to underspends on materials

#### **ICT** and Customer Services

3.1.6 ICT is forecasting an underspend of £0.153m due to vacant posts within the Client team, a marginal reduction compared to £.156m at quarter 1. Customer Services is showing an underspend of £0.072m compared to a balanced position at quarter 1. Across the two Directorates there is an overall favourable variance movement of £0.069m compared to the previous quarter, this is due to a review of non-pay costs in both divisions and a further vacant post within the ICT Client Team.

#### Achievement of Budget Reductions

3.1.7 Of the approved budget reductions of £3.225m across the portfolio, £0.398m of the total £1.541m linked to Creating a Better Place (Project and Assets) is currently rated

red and not expected to be achieved, with £0.385m rated amber. All other budget reductions for the Portfolio are expected to be achieved in full.

#### 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 2.

Table 5 – Community Health and Adult Social Care- Forecast Outturn

	Revised Budget	Forecast	Use of Reserves	Variance
	£000	£000	£000	£000
Adult Social Care - COVID 19	-	6,765	1	6,765
Community Health & Social Care	27,387	27,051	ı	(336)
Commissioning	21,948	21,826	ı	(122)
Learning Disability	13,841	15,003	ı	1,162
Mental Health	8,543	8,868	ı	325
Community Business Services	1,701	1,712	(115)	(104)
Safeguarding	1,063	1,120	ı	56
Director Adult Social Care	(9,733)	(10,665)	ı	(931)
Learning Disability and Mental Health	-			•
Total Forecast Net Expenditure	64,750	71,680	(115)	6,815

#### Summary

- 3.2.2 The pandemic is continuing to have a significant impact on the Portfolio, with a projected budget pressure of £6.815m (£8.169m at month 3), including a £0.115m use of reserves. The predominant factor contributing to the overspend is the COVID-19 related expenditure of £6.765m (£7.261m at month 3). Adult Social Care is one of the Council services most affected by the virus, the constantly evolving nature and the subsequent impact of the pandemic and also the nature and quantum of financial support means that it is highly likely that the financial forecasts will be subject to further revision.
- 3.2.3 Financial support from the NHS Hospital Discharge Programme, reclaimed through the Oldham Clinical Commissioning Group (CCG) continues to be available, the support was scheduled to cease on 30 September 2021 and has now been extended to 31 March 2022. At month 6, £1.136m of funding from the CCG has been received and in the region of £2.200m is expected by the end of the year, reflecting the benefit of the extended timeframe. A review has also taken place of activity which can be supported by the Contain Outbreak Management Fund (COMF) and a non-recurrent contribution of £0.897m has been identified which has contributed to mitigate increasing COVID costs, mainly as a result of rises in hospital admissions. The net effect is an adverse forecast of £6.765m of COVID related expenditure, a reduction of £0.496m on the figure reported at quarter 1.
- 3.2.4 A 'Business as usual' pressure of £0.050m accounts for the remainder of the overspend, a significant reduction of £0.908m compared to the first quarter. The main reasons for the adverse variance are detailed below:

#### Community Health and Social Care

3.2.5 The forecast outturn has moved from a predicted deficit of £0.048m to a surplus of £0.335m. The improvement of £0.384m is due to a combination of slippage on recruiting to vacant posts of £0.181m and an improved income position compared to budget of £0.203m mainly due to non-residential client contributions.

Learning Disability

3.2.6 Learning Disability is forecasting an overspend of £1.162m (£0.808m at quarter 1). The service has seen a 4% increase in new client care packages including 6 transitions from Children's Social Care totalling £0.720m. This is partially offset by a combination of additional income from Continuing Health Care contributions from the CCG and better than budgeted client income of £0.366m.

Mental Health

3.2.7 Mental Health is forecasting an overspend of £0.325m (£0.190m at quarter 1). 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. Specifically, mental health related packages of care have increased between the two quarters in terms of new client demand mainly within residential care settings. One unbudgeted transition case alone has increased the forecast outturn position by £0.104m.

Safeguarding

3.2.8 The adverse variance of £0.056m (£0.020m at quarter 1) is due to the increasing number of external Best Interest Assessments conducted in relation to Deprivation of Liberty Safeguards.

**Director Adult Social Care** 

3.2.9 Director Adult Social Care has forecast an underspend of £0.931m at quarter 2, a favourable movement of £0.912m compared to that reported at quarter 1. The variance is due to management action in using the Better Care Fund uplift of £0.607m and the Community Estates budget of £0.305m as a means to rebalance budget pressures.

Commissioning and Community Business Services

3.2.10 The two remaining services within the Portfolio are reporting a combined underspend of £0.226m, a favourable movement of £0.087m since quarter 1. The variance is in the main due to on-going delays in recruiting to vacant posts.

Achievement of Budget Reductions

3.2.11 The 2021/22 Budget Reductions total £2.729m, three of which are currently forecast not to be achieved in part or in full by the means by which they were prescribed in the approved budget reductions as summarised below. Taken in isolation this would have an adverse impact of £1.308m:

- Maximising independence through alternative models of care (£1.500m) only £0.500m is potentially expected to be delivered and this portion is rated amber at present.
- Achieving Better Outcomes: Supported Living and Learning Disabilities (£0.288m)
- Out of hours call centre support for Community Health Services (£0.020m)
- 3.2.11 It is however anticipated that offsetting savings with an equivalent value will enable £1.308m of red rated the budget reductions to be offset by alternative means. This is evidenced in the significantly reduced business as usual business forecast overspend which is now reported as £0.050m.

#### 3.3 Children's Services

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

Table 6 - Children's Services

	Revised Budget	Forecast	Use of Reserves	Variance
	£000	£000	£000	£000
Children's Social Care	37,505	42,030	(430)	4,095
Education, Skills & Early Years	8,145	9,386	(1,094)	186
Preventative Services	3,713	3,724	(11)	0
Schools	(39)	(39)	-	0
Total Forecast Net Expenditure	49,324	55,140	(1,535)	4,281

#### Summary

3.3.2 The Portfolio has a projected overspend of £4.281m which represents an increase of £0.024m to the £4.257m reported at quarter 1. The overspend includes costs of £3.193m due to the lasting impact of COVID-19 and incorporates the use of reserves totalling £1.535m. The principal underlying reasons are detailed below.

#### Children's Social Care

- 3.3.3 This area is projecting a £4.095m overspend at Quarter 2 and incorporates the use of reserves totalling £0.430m, this is an increase of £0.086m on the £4.009m reported at quarter 1
- 3.3.4 Throughout 2020/21 it was necessary to employ additional temporary social work staff to cover the increase in demand and consequent impact on caseloads as a result of the pandemic. The current forecast assumes a requirement to retain the existing cohort of additional social workers for the remainder of this financial year at an estimated cost of £1.529m, a gradual reduction of £0.308m achieved in the second quarter of the year, the number of FTE's has reduced to 23 from 33 at the start of the financial year. The caseloads continue to be closely monitored with the objective to further reduce the number of extra social workers. Any further reductions, if applicable will be factored into future forecasts. Additional staffing costs to cover sickness and self-isolation is estimated to cost £0.027m. A further £1.376m is related to the provision of placements, particularly children placed outside of the borough. Again, this is due to an increase in demand and cost due to the pandemic. This brings the anticipated overspend due to COVID-19 to £2.932m.

- 3.3.5 There is a further net operational forecast deficit of £1.163m, a pressure of £1.740m in the main relating to social care placements including Out of Borough is being offset by net favourable variance of £0.577m in establishment staffing costs; a number of vacant posts generate a favourable variance of £0.285m is offset in part by the use of further agency staff to cover a number of the vacant posts at a cost of £2.274m.
  - Education, Skills and Early Years
- 3.3.6 The area is reporting a £0.186m overspend at Quarter 2, a slight favourable reduction of £0.062m to that reported at quarter 1 and incorporates the use of reserves totalling £1.094m.
- 3.3.7 Adverse variances are being forecast against both Inclusion and Post 16 Services of £0.073m and Community/ Adult Learning Services of £0.188m due to the underachievement of income caused by the on-going impact of the pandemic.
- 3.3.8 The overspends are offset by a net £0.075m in relation to a number of small 'business as usual' underspends across the Directorate.
  - Achievement of Budget Reductions
- 3.3.9 Budget reductions for the Portfolio in 2021/22 total £0.911m and are now currently expected to be achieved in full, this includes one in relation to SEND provision (£0.114m) which was previously rated amber. Monitoring will continue to ensure delivery, particularly in relation to the SEND option.

#### 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
Public Health & HLA	23,211	28,090	(5,131)	(252)
Youth, Leisure & Communities	5,953	6,201	(411)	(163)
HR & Organisational Development	2,599	2,453	(48)	(194)
Communications and Research	1,017	848	-	(169)
Strategy and Performance	953	740	-	(213)
Policy	40	1,191	(1,151)	-
Transformation and Reform	(0)	165	(165)	0
Total Forecast Net Expenditure	33,773	39,688	(6,906)	(991)

3.4.2 The forecast outturn at Quarter 2 is an underspend of £0.991m, an adverse variance of £0.148m to the £1.139 reported at quarter 1. A favourable operational variance of £1.289m is offset by a COVID related pressure of £0.298m. The variance is after the

- approved use of £6.906m reserves. The paragraphs below outline the main variances within the Portfolio.
- 3.4.3 Public Health and Heritage, Libraries and Arts services are showing an underspend of £0.252m as at Quarter 2, compared to £0.217m in the previous quarter.
- 3.4.4 There is an income pressure of £0.126m for the Music Service due to COVID-19 and reduced service provision and a forecast pressure of £80k for Oldham Museum and Arts (OMA). This is offset with underspends on non-pay costs and the transfer of eligible staff time to COVID-19 grants (£0.180m). The significant use of reserves relates to funding from the Contain Outbreak Management Fund to address COVID activities. Whilst this grant was received in 2020/21, it was brought forward as a reserve and must be used before 31 March 2022.
- 3.4.5 Youth, Leisure and Communities is showing an underspend of £0.163m as at month 6 (£0.199m at quarter 2). There is an increasing income pressure within Outdoor Education (£0.118m) due to COVID-19 and reduced service provision which is offset against a reduction in non-pay costs and the transfer of eligible staff time to COVID-19 grants.
- 3.4.5 HR and Organisational Development is showing an underspend of £0.194m as at month 6, and adverse movement of £0.153m from the previously reported position. There are income pressures for HR Advisory which are offset by vacant posts across the Division. The fall in the underspend is due to reduced income from schools Service Level Agreement for the HR Advisory service together with other income pressures and costs of service redesign
- 3.4.6 Communications and Research is showing an underspend of £0.169m as at Quarter 2 (£0.192m at Quarter 1), this is due to vacant posts and again the transfer of eligible staff time to COVID-19 grants.
- 3.4.7 Strategy and Performance is showing an underspend of £0.213m as at Quarter 2, a favourable movement of £0.029m between the two quarters. There is a COVID-19 income pressure of £0.056m which relates to the inability to provide data packs to schools in 2021/22. This is offset by vacant posts and the charging of eligible staff time to COVID-19 grants.
  - Achievement of Budget Reductions
- 3.4.8 The approved budget reduction of £0.626m are expected to be fully achieved in the financial year.

#### 3.5 Commissioning

3.5.1 The table below shows the forecast position after the approved and planned use of reserves for the Portfolio. Following the transfer of Finance to the Chief Executive Portfolio, only Commissioning and Procurement now remain.

**Table 8 - Commissioning - Forecast Outturn** 

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Commissioning and Procurement	309	834	1	525
Total Forecast Net Expenditure	309	834	-	525

Summary

3.5.2 The forecast outturn position at Quarter 2 is a business as usual overspend of £0.525m following the re-alignment of the Finance Service to the Chief Executive Portfolio.

Commissioning and Procurement

3.5.3 Commissioning and Procurement is reporting an overspend of £0.525m. The service is continuing to experience difficulties in recruiting to permanent posts, this is resulting in the necessity to retain interims to provide service continuity leading to an estimated £0.426m overspend. The service is also reporting a pressure of £0.099m against the Early Payment scheme.

Achievement of Budget Reductions

3.5.4 The approved budget reduction of £0.101m is not expected to be achieved in the financial year and no alternative proposals have been provided.

#### 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
Finance	9,930	14,160	(4,356)	(126)
Legal Services	3,247	3,380	(95)	38
Chief Executive	2,186	2,088	ı	(98)
Chief Executive Management	1,668	1,639	-	(29)
Executive Office	588	579	ı	(9)
Total Forecast Net Expenditure	17,619	21,846	(4,451)	(224)

Summary

- 3.6.2 The Portfolio, now including Finance, is showing an underspend of £0.224m. Details of the underspend are shown below.
- 3.6.3 The Finance Service which has been re-aligned from Commissioning to the Chief Executive Portfolio at quarter 2 is showing an underspend of £0.126m incorporating £0.229m of New Burdens funding to support the administration of business grants. This represents an adverse variance of £0.158m to the £0.284m underspend reported at quarter 1. There is a pressure in relation to summons cost recoveries of £0.250m.

Although courts have re-opened it is still anticipated there will be fewer summons costs recoveries in 2021/22 due to the ongoing impact of COVID-19. This is being offset by vacancies in the Finance division; a reduction in non-pay costs and additional project income totalling £0.376m.

- 3.6.4 The Legal Service is reporting an overspend of £0.038m at Quarter 2, a slight favourable variance of £0.014m to that shown at quarter 1. The service pressure is due to the impact of Covid-19 for Registrars and reduced trading with schools in the Legal Team. The pressures are offset in part by vacant posts and reduced expenditure on non-pay budgets in Civic and Political Support and Constitutional Services.
- 3.6.5 Chief Executive is reporting an underspend of £0.098m which relates to reduced costs on the non-AGMA budgets and increased income.
- 3.6.6 Chief Executive Management and the Executive Office are reporting a combined underspend of £0.038m underspend at Quarter 2.
  - Achievement of Budget Reductions
- 3.6.7 The approved budget reductions of £0.523m, are expected to be fully achieved in the financial year.
- 3.6.8 The use of reserves of £4.451m relates primarily to the payment of grants to businesses from the Additional Restrictions Grant regime with funding having been received from Government in 2020/21 but spent in this year (see paragraph 4.14).
- 3.7 Capital, Treasury and Corporate Accounting
- 3.7.1 The following table shows the forecast position of a favourable variance of £5.449m.

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	25,292	19,296	547	(5,449)
Total Forecast Net Expenditure	25,292	19,296	547	(5,449)

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 borrowing and interest receivable on investments.
- 3.7.3 A favourable variance of £5.449m is due to projected additional income being received with regard to external investments, a larger than budgeted benefit generated as a result of the pre-payment of pension contributions and other non-pay variances including reduced capital financing charges. This is offset by an adverse variance with regard to the Annual Leave Purchase Scheme

3.7.4 The Housing Benefit service is not anticipating a variance at this stage in the financial year, however the continued transfer of benefits claimants onto universal credit, and the longer-term impacts of COVID-19 may have an impact but this will not be known until the interim benefits claim is produced and agreed. Any change to this forecast will be reported to Members at month 8.

#### 3.8 Unringfenced COVID-19 Funding

3.8.1 As outlined at paragraph 2.2, the Council has received £7.737m of unringfenced Government grant to provide the Council with financial support in 2021/22 to address the additional costs associated with COVID. This is being used to offset pressures being experienced across all Portfolio areas. In addition, £0.352m of unringfenced grant support is anticipated, providing compensation for lost Sales, Fees and Charges income. The total sum of £8.089m will be utilised in full by the year end.

#### 3.9 Additional Section 31 Grant to Compensate for a Collection Fund Deficit

- 3.9.1 Members will be aware that the Government introduced the extension of Business Rate Reliefs for retail, leisure and hospitality businesses after the Council had set its 2021/22 budget (just as it had in 2020/21). As such an estimated total of £9.798m of unringfenced grant will be received by the Council in 2021/22 to compensate for the Business Rates that businesses will not have to pay.
- 3.9.2 Due to the accounting requirements for Business Rates income, the £9.798m will be carried forward as a reserve at the end of 2021/22 and will be used at budget setting for 2022/23 to balance a deficit of a corresponding amount in the Collection Fund

#### 4 Other Grants/Contributions Received by the Council

- 4.1 Members will recall that in addition to the COVID un-ringfenced grant highlighted in the report the Government has also provided and/ or been notified of a range of ringfenced grants. In this financial year, the Council is able to utilise grants brought forward from 2020/21 as well as those notified in year.
- 4.2 During 2020/21 the Council received nineteen COVID specific grants totalling £21.838m grants and at the end of the financial year, £7.951m of this had not been spent and was included within the Councils reserves. These resources are therefore available in 2021/22 and all of the £7.951m will be spent in full during this financial year. The highest value grants brought forward are;
  - Contain Outbreak Management Fund £5.341m
  - Local Authority Test and Trace Service Support Payments £0.851m
  - Funding for Local Authorities for Support the Clinically Extremely Vulnerable Individuals - £0.541m

The use of these grants is reflected in the transfer from reserves

In this financial year the Council has so far been notified of 14 ringfenced grants with a total value of £14.410m specifically to deal with the ongoing response to the pandemic. The main new additions since month 3 are the Household Support Fund (£2.419m) and within Adult Social Care, the Workforce Recruitment and Retention

Fund (£0.760m), Round 3 of the Infection Control and Rapid Testing Fund, including for the first time a new Vaccine allocation (£1.691m in total). In relation to the first two tranches of the latter it should be noted that a number of recipients have not been able to utilise their allocations of both the Infection Control and Rapid Testing grants. The anticipated refund is £0.275m across Round 1 (£0.222m) and Round 2 (£0.025m) allocations. This will reduce the grants applied to £14.135m. Whilst the ringfenced grants are included in the budget, the increased income is offset by matched expenditure within the relevant service area, so does not increase the net revenue budget.

- 4.4 In addition a range of grants totalling £4.034m has been received on behalf of schools, once again the grants are included in the budget and offset by matched expenditure as the allocations are passported in full to schools
- 4.5 In addition £0.183m has been received from the Greater Manchester Combined Authority (GMCA) for the GM Self Isolation pathway initiative.
- 4.6 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, as outlined earlier in the report, it has been confirmed that the scheme will now be extended to 31 March 2021, with care remaining to be funded for 4 weeks upon discharge. The amount claimed for the for the first two quarters is £1.136m.
- 4.7 A full list of the COVID grants and contributions with a grand total of £19.766m, is attached as Appendix 3.

#### **Grant Support for Businesses – Restart Grants**

- 4.8 Restart Grants became available from 1 April 2021 to support businesses that were forced to close during national lockdown to help them reopen safely as COVID-19 restrictions were lifted. In this regard, on 6 April the Government paid the Council £10.542m to administer mandatory Restart Grants and the Oldham scheme went live on that day.
- 4.9 The Council received applications for the grants from 1 April 2021 to 30 June 2021 and therefore the grant regime is now closed. However, grants payable to businesses were calculated as follows:

#### **Non-essential Retail Businesses**

- Businesses with a rateable value of £15,000 or under received grants of £2,667
- Businesses with a rateable value of over £15,000 and less than £51,000 received grants of £4,000
- Businesses with a rateable value of £51,000 or over received grants of £6,000

#### Hospitality, leisure, accommodation, personal care, gym and sports businesses

- Businesses with a rateable value of £15,000 or under received grants of £8,000
- Businesses with a rateable value of over £15,000 and less than £51,000 received grants of £12,000
- Businesses with a rateable value of £51,000 or over received grants of £18,000

- 4.10 As there was no discretion in the level of grant payment the Council was acting as an agent of the Government and therefore the expenditure is reflected in the Councils Balance Sheet rather than in the General Fund. There is therefore no budget adjustment in respect of Restart Grants.
- 4.11 As advised above, the final date for applications for these grants was 30 June 2021. The final date for payment was 31 July 2021. Of the £10.542m the Council received to support such payments, at 31 July 2021 it had paid 1,417 grants totalling £9.703m, thus £0.839m remained unspent. The final reconciliation has now been made and the £0.839m will be returned to Government.

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

- 4.12 Members will recall that during 2020/21 the Council received £28.417m of Local Restrictions Support Grant. Most LRSG payments were made during 2020/21 but at the end of March 2021, there was still the opportunity to apply for one tranche of LRSG. The final date for applications for the last round of LRSG was 30 April 2021 and the final payment date was 30 June 2021. At the end of 2020/21 £19.556m had been spent, with a final total of £20.092m at the end of June 2021. In total therefore, £8.325m of grant remained unspent to be returned to Government. Every effort was made to issue grants to all qualifying businesses.
- 4.13 The Council acted as an agent of the Government for most of these grants and hence they were transacted through the Councils' Balance Sheet rather than the General Fund.
- 4.14 Members will also recall that the Council received £7.123m in Additional Restrictions Support Grant during 2020/21. This is a discretionary grant scheme and the Council can determine the awarding of the grant. This therefore impacts on the budget of the Council. At the end of 2020/21 £3.076m had been paid with £4.047m held in a reserve at the year-end. The full £4.047m has been spent in the period to 30 June 2021 and £4.047m of reserves has been called into the revenue account (within the Finance Service). A further tranche of ARG of £1.214m was received in July and the budget has been increased to reflect the receipt of the grant. At this time, £0.402m is still available to be spent but it must be used in full by 31 March 2022.

#### 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 in the High Needs block. The pressure in the High Needs area is historically 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 and a further 0.5% has been agreed for the current financial year (£1.049m).

With the continued support from the Schools Block, the High Needs Block has an in year surplus of £1.438m. This contributes to a cumulative deficit forecast of £14.259m as at 31 March 2022. The deficit is offset by cumulative virements and savings from the Schools and Early Years Blocks to leave a net deficit of £3.725m (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	44,630
Contribution from Schools Block (Schools Forum approval)	1,049
Adjustment for imports/exports	(79)
2021/22 Total Budget Available	45,600
Estimated Expenditure	(44,162)
Projected in Year Surplus	1,438
Deficit Brought Forward 01/04/2021	(15,697)
Cumulative Deficit	(14,259)
Offset by;	
- Virement from Schools Block- 2016/17 to 2020/21	7,247
- Savings in Schools and Early Years Block- 2015/16 to 2021/22	3,287
Projected Deficit 31/03/2022	(3,725)

#### **Overall DSG Position and Recovery Plan**

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 2021/22 (including the 0.5% transfer of DSG funding between the Schools and the High Needs Funding Blocks for 2021/22) that was approved by Cabinet on 14 December 2020.

- A further report was presented to Schools Forum on 22 September 2021 providing an 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 version of the Recovery Plan, which has been modelled to incorporate an indicative 0.5% transfer between the Schools Block and the High Needs Block, at an estimated value of £1.124m. The transfer, together with the increased funding anticipated for 2022/23, the impact of the planned actions to address new operating arrangements to generate efficiencies and revised cost estimates, produce a forecast whereby the DSG should be brought into a position where there is an estimated surplus of £1.167m at the end of 2023/24. By way of sensitivity analysis, the Recovery Plan also demonstrates that there would be:
  - A deficit of £0.012m if the agreed Out of Borough savings are not achieved (with the 0.5% transfer)
  - A surplus of £0.043m without the indicative transfer; offering little by way of flexibility to absorb any emerging pressures

**Table 13 - Overall DSG Position** 

	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000
Opening Balance - Surplus/(Deficit)	(4,916)	(3,560)	(3,725)	(442)
Movements per original plan	1,048	5,081	0	0
Revised Forecast Variance	(3,868)	1,521	(3,725)	(442)
Estimated Additional (Pressures)/ Savings	308	(5,246)	2,159	1,609
Indicative Transfer from Schools Block	0	0	1,124	0
Revised Net Forecast (Deficit)/Surplus (including a 0.5% transfer in 2022/23)	(3,560)	(3,725)	(442)	1,167
Budget position if Out of Borough savings are not achieved		(3,868)	(871)	(12)
Revised Net Forecast (Deficit)/Surplus without a 0.5% transfer in 2022/23			(1,566)	43

- 5.7 As outlined above, the Recovery Plan presented to the Schools Forum meeting on 22 September 2021 incorporated a 0.5% indicative transfer between the Schools and High Needs Block. The decision to approve any transfer up to a maximum of 0.5% rests, in the first instance with the Schools Forum and requires consultation with Schools. Consultation documents were therefore issued to all schools on 18 October 2021, the consultation ran to 12 November 2021. The outcome was presented to the Schools Forum on 17 November for discussion and a decision.
- 5.8 A report elsewhere on the agenda advises of the Schools Funding Formula for 2022/23 informed by the outcome of the consultation with schools and the views of Schools Forum of 17 November 2021.
- 5.9 Regulations introduced in 2020 mean that there will no longer be an automatic 1% trigger for the production of a DSG deficit recovery plan, instead the Department for Education (DfE) via the Education Skills Funding Agency (ESFA) will focus on those

Authorities requiring help through a more measured and targeted approach. As such, Authority representatives held an informal liaison meeting on 20 May 2021 to discuss the formal DSG Management Plan with ESFA Local Authority funding colleagues and a Special Educational Needs and Disabilities (SEND) adviser. The meeting was constructive with the ESFA offering to provide support to the Council as required. It was agreed the DSG Management Plan would be completed and this was submitted to the Department on 18 October 2021 with a follow up meeting arranged for 9 November 2021. The meeting was very positive.

5.10 The DfE/ESFA is be supportive of the Councils action in relation to the DSG deficit recovery.

#### 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 2020/21 at £21.370m was £1.756m better than the final estimate of £19.614m. The original HRA forecast was for a planned in-year decrease in balances of £2.151m, mainly to support housing related expenditure in the Capital Programme.
- 6.2 The current forecast is for an in-year surplus of £0.481m, a net favourable movement of £2.632m. The variance is attributable to the reprofiling of several capital projects as part of the Annual Review of the capital programme. The projected year end HRA balance is £21.851m.

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	(21,370)	(21,370)	0
Deficit on HRA Services	2,151	(481)	(2,632)
HRA Balances Carried Forward	(19,219)	(21,851)	(2,632)

#### 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	3,446	23,766	27,212
Contribution to prior years estimated deficit	(1,092)	(23,473)	(24,565)
Deficit for the current year	2,198	8,867	11,065
Net (Surplus)/Deficit Carried Forward	4,552	9,160	13,712

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

Collection Fund Balance	Council Tax	NDR	Total
	£000	£000	£000
Share - Oldham Council	3,861	9,068	12,929
Share – Greater Manchester Combined			
Authority Mayoral Police and Crime	488	-	488
Commissioner			
Share – Greater Manchester Combined			
Authority Mayoral General Precept	203	92	295
(including Fire Services)	203	32	293
Total (Surplus)/Deficit	4,552	9,160	13,712

7.2 The relationship between the Collection Fund and the Councils General Fund is complex and needs to be considered over multiple financial years. Each year the surplus/deficit for both Council Tax and NDR is estimated in January preceding the year end. This estimate is either distributed to or recouped from preceptors in the following financial year. Any variance from the estimate at outturn is carried forward in the Collection Fund balance. This provides an element of stability for preceptors.

The tables below demonstrate the multiyear impact of the Collection Fund on the Council's General Fund.

Table 17a – General Fund Impact of NDR Collection Fund Deficits

Oldham Council General Fund Impact - NDR	2021/22 £000	2022/23 £000	2023/24 £000
Residual balance 2019/20 (not estimated at NNDR1)	(2,031)	1	1
Estimated 2020/21 Deficit	23,969	-	-
Net exceptional balance adjustment	1,265	1,265	1,265
Residual balance 2020/21 (not estimated at NNDR1)	-	290	-
Estimated 2021/22 Deficit	-	7,513	-
Available reserves to offset the deficit from 2020/21	(25,182)	-	-
Additional Section 31 Grant to offset estimated deficit for 2021/22**	-	(9,798)	-
Residual Reserves	(1,979)	(730)	1,265

<sup>\*\*</sup>Compensatory Section 31 Grant

Table 17b – General Fund Impact of Council Tax Collection Fund Deficits

Oldham Council General Fund Impact - Council Tax	2021/22	2022/23	2023/24
	£000	£000	£000
Residual Balance 2019/20 (not estimated at Jan 2020)	192	1	1
Estimated 2020/21 Surplus	(192)	-	-
Residual Balance 2020/21 (not estimated at Jan 2021)	-	1,070	-
Net exceptional balance adjustment	927	927	927
Estimated 2021/22 Deficit	ı	1,864	•
Residual Reserves	927	3,861	927

- 7.3 Council Tax and Business Rates remain a significant source of funding for Council services. However, these areas can be volatile, particularly for the 2021/22 financial year with the impact of COVID-19, as such the financial position of the Collection Fund is under constant review. It is 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.
- 7.4 The Greater Manchester 100% Business Rates Retention Pilot has continued into 2021/22. Given the impact of the pandemic, at this stage in the financial year it is unclear if there will be any financial benefits arising from the pilot scheme. The position will be kept under review.
- As highlighted in Table 15 and 16 above, current year end Collection Fund projections are showing an overall deficit of £13.712m, (which will be partly offset in 2022.23 by the £9.798m of grant received in 2021/22 as explained in section 3.9) with the Council's proportion of this deficit being £12.929m. It is a particularly volatile area to forecast with many unknowns. Therefore, this area will be closely monitored over the forthcoming months. Collection Fund deficits have to be addressed and this may impact on the Councils budget in future years. Any anticipated financial impact in 2022/23 and future years will be considered within the Medium Term Financial Strategy.

#### 8 Use of Reserves

8.1 Members will recall that at the Council budget meeting of 4 March 2021, it was agreed that Earmarked Reserves of £42.286m be used to support the 2020/21 budget. Of the Earmarked Reserves to be used, £15.703m were to be met from the specific balancing budget reserve, £0.127m related to a budget reduction which was agreed to be funded from the District Partnership Reserve and £1.000m from a reserve created from anticipated Local Income Tax Guarantee grant. A further £25.456m of reserves were to be used in 2021/22 as a result of Business Rates compensation funding received in 2020/21 and held in reserve to support the Collection Fund Deficit in 2021/22. Since the Budget Council meeting and as part of the closure of accounts, the completion of the NDR3 return determined that the Business Rate compensation related Collection Fund Deficit for 2021/22 would be revised downwards to £25.182m and this is the amount that was transferred to reserve at the end of the financial year. This resulted in the total call on reserves to support the revenue budget in 2021/22 of £42.012m.

- As outlined at section 2.3 (b) and 3.9, £9.789m is to be transferred to reserves. This is additional Section 31 Grant Funding paid to the Council's General Fund in 2021/22 to compensate for Business Rates reliefs, and, having been transferred to reserves will be released to reimburse the corresponding element of the Collection Fund deficit in 2022/23. This grant funding position will be revised during the year as Business Rate Reliefs are awarded. It will therefore undoubtedly change.
- 8.3 In addition to the above transfer to reserves the Quarter 2 position incorporates Portfolio requests to use reserves with a total (net) value of £14.764m (most of which are COVID related), therefore the total net in-year planned use of reserves at Quarter 2 is £4.681m and the budget as a whole relies upon the application of £46.693m of reserves as demonstrated in Appendix 2
- The levels of Reserves after the planned use and creation of Earmarked and Revenue Grant Reserves at Quarter 2 is summarised below. Setting aside all the transfers to reserves, the opening earmarked reserves balance of £113.513m has now reduced to £78.742m at Quarter 2 and Revenue Grants Reserves have reduced to £7.751m.

**Table 18 – Reserves Summary** 

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	Earmarked Reserves	Revenue Grant Reserves	Total Reserves
	£000	£000	£000
Opening Balance as at 1 April 2021	(113,513)	(20,145)	(133,658)
Reserves applied to balance the Budget	16,830	-	16,830
Collection Fund Deficit – Business Rates relief	25,182	-	25,182
In Year Balance	(71,501)	(20,145)	(91,646)
Tuenefere from December			
Transfers from Reserve	0.000	70	0.400
People and Place	2,036	72	2,108
Community Health and Adult Social Care	115		115
Children's Services	54	1,553	1,607
Communities and Reform	807	6,672	7,479
Chief Executive	282	4,169	4,451
Total Transfers from Reserve	3,294	12,466	15,760
Sub-Total	(68,207)	(7,679)	(75,866)
Transfers to Reserves			
People and Place	(90)	-	(90)
Children's Services		(72)	(72)
Communities and Reform	(100)	-	(100)
Capital, Treasury and Corporate Accounting	(547)		(547)
Additional Section 31 Grant to compensate for a Collection Fund deficit	(9,798)	-	(9,798)
Total Transfers to Reserve	(10,535)	(72)	(10,607)
Closing Balance as at Quarter 2	(78,742)	(7,751)	(86,493)

- 8.5 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.
- 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 2022/23 and future years budget setting processes and Medium-Term Financial Strategy. Members will therefore recall that £12.297m of reserves has already been committed to support the 2022/23 budget process.

# 9 Flexible Use of Capital Receipts

- 9.1 Members will recall that at the Council meeting of 4 March 2021, it was approved that up to £2.000m 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 Government. As capital receipts in excess of £2.000m have already been generated in this financial year, this funding requirement has been met in full and there will be no variance in this regard.

#### 10 Conclusion

- The current projected position, after adjustment for reserves and receipt of additional Government funding to support COVID pressures, is showing, for the first time an underspend of £2.413m. Provision has now been made for all the COVID related funding that the Authority is expecting to receive.
- There remains a high degree of estimation in relation to the impact of COVID-19. 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 which are both unpredictable and constantly changing. Future reports will advise of the progress of mitigating factors and management actions to control and reduce the forecast deficit.
- 10.3 The reserves position is important in the context of financial resilience. Whilst the year started with healthy balances of earmarked reserves (£113.512m) and Revenue Grants Reserves (£20.145m), as advised in the report, earmarked reserves of £45.306m and Revenue Grant reserves of £11.993m (mostly COVID related and excluding transfers to reserves) have already been called into support the 2021/22 budget. It is important to minimise the use of reserves in year to maintain financial resilience

Planned Use of Reserves to 30 September 202	anned Use of Reserves to 30 September 2021 - Quarter 2 APPENDIX 1					
Reserve Name	Balance as at 01 April 2021	Actual use / creation of reserves 2020/22 - up to Quarter 2	Forecast use/ creation of reserves 2021/22 - up to Quarter 2	Anticipated Closing Balance 31 March 2022	Reason for Use of Reserve	
Earmarked Reserves	£000	£000	£000	£000		
Integrated Working Reserve GMSF/Local Plan	(191)		127	(64)	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	
The Oldham Model	(390)		48		To fund the Strengths Based Approach Model	
ASC - Thriving Communities  Local Restrictions Support Grant Reserve	(623)		124	(499)	To fund the Thriving Communities programme	
Local Restrictions Support Grant Reserve	(37)	37		(0)	To support businesses during periods of local restriction	
Fiscal Mitigation Business Rates	(2,735)	(547)		(3,282)	To fund business rates fluctuations	
Regeneration Reserve Creating a Better Place	(2,864)		1,417	(1 447)	To support revenue costs for the developing the Creating a Better	
	(2,004)		1,717	(1,117)	Place programme	
Directorate Reserves Highways Works Orders	(377)		271	(106)	To fund Highways works orders relating to the 2020/21 Highways programme that needs to be included in the 2021/22 programme as a result of the reprioritisation of resources resulting from the impacts of the Covid-19 pandemic.	
Cleaner Streets	(531)		221		To fund the Cleaner Streets scheme as a Council priority	
Legal Support COVID-19 Legacy  Council Initiatives Reserve	(165)		95	(70)	To fund locum solicitors within the Legal Team	
Learning & Attainment Reserve	(355)		54		Senior management costs (Oldham Education and Skills Comm.)	
Local Welfare Provision Northern Roots	(731) (345)		149 345	(582 <u>)</u> (0)	To fund costs incurred for the Local Welfare Provision scheme To support delivery of the Northern Roots project as approved by Cabinet on 28 January 2019	
Transformation Reserve Transformation Reserve (Transformation and Reform			165		Transformation programme 2021/22	
Transformation Reserve (Northern Roots)	(2,262)		125	(1,972)	To support delivery of the Northern Roots project as approved by Cabinet on 28 January 2019	
Adult Social Care - Better Care Fund	(3,394)		115	(3,279)	To support the transformation and improvement programme in Adult Social Care	
Sub Total  Balancing Budget Reserve	(15,001)	(510)	3,256	(12,254)		
Collection Fund Deficit	(25,182)	25,182		0	To support the Collection Fund deficit arising from the introduction of	
Corporate Reserve to balance budget	(28,000)	15,703		(12,297)	Business Rates reliefs after the 2020/21 budget had been set	
Budget Reduction REF-BR1-432 Specific Reserve - Local Tax Income Guarantee	(127)	127 1,000		0	As agreed by Council on 4 March 2021, £16.830m of Earmarked Reserves are required to support the 2021/22 budget	
Sub Total Balancing Budget Reserve	(54,309)	42,012	0	(12,297)		
Total Planned use of Earmarked Reserves 2021/22	(69,310)	41,502	3,256	(24,551)		
Planned Increase / Creation of Earmarked Reserves						
Collection Fund Deficit – Business Rates	0	(9,798)		(9,798)	S31 Grant compensation for irrecoverable Collection Fund Losses in	
compensation Library PFI Sinking Fund	(200)	(100)		(300)	2021/22 - transfer to reserve Reserve set aside for a sinking fund for IT refresh costs for the Library	
Mercury Abatement	0		(90)	(90)	PFI. Contribution to the cost of a new cremator when mercury abatement assets are a requirement	
Total Planned Increase / Creation of Earmarked Reserves 2021/22	(200)	(9,898)	(90)	(10,188)		
NET Use/Increase of Earmarked Reserves Total Earmarked Reserves	(69,510) (113,513)	31,604 31,604	3,166 3,166	(34,739) (78,743)		
Revenue Grant Reserves						
Towns Fund Initial Capacity Funding  Covid 19 Compliance & Enforcement Grant	(70)		31		To provide funding for the revenue costs of working up business cases to support the schemes in the Towns Fund bids Funding towards the cost of the Covid Compliance team which is set	
Tackling Troubled Families	(1,291)		197	(941)	to continue in operation until 31st July 2021. To fund Children's Services senior management support	
Tackling Troubled Families			153		To fund mosaic system developments within Children's Social Care	
Tackling Troubled Families	(83)	83		n	Budgeted reserve to fund Partnership Support costs	
Opportunity Area Grant	(1,094)	1,094		0	To fund the Council's ongoing Opportunity Area work in Education and Early Years	
Youth on Remand (MoJ)  Domestic Abuse Safe Accommodation	(96)		(72)	· ,	To fund secure care provision for looked after children detained on remand  To support victims of domestic abuse	
Contain Outbreak Management Fund Well North Growing Oldham Feeding Ambition	(5,341) (230)		5,341 230	0	To support the containment of COVID-19 at a local level in 2021/22 To continue the Growing Oldham Feeding Ambition project in 2021/22	
Public Health Grant Thriving Communities	(306) (251)		306 251		To fund the Thriving Communities programme To fund the Thriving Communities programme	
Controlling Migration Fund Community Champions	(64) (347)		64 347	(0)	To support containing the COVID -19 outbreak at a local level To support people shown to be most at risk from Coronavirus (COVID-19)	
Enhanced Covid	(133)	4 0 4=	133	(0)	To support the Community Engagement team	
Additional Restrictions Grant Winter Grant Scheme	(4,047) (122)	4,047	122		To support the discretionary Additional Restrictions grant scheme The Winter Grant Scheme - final element of funding for 2020/21 - to	
Total Planned use of Revenue Grant Reserves Total Revenue Grant Reserves	(13,506) (20,145)	5,224 5,224	7,170 7,170	(1,112) (7,751)	provide support to families with children, other vulnerable households	
NET Use/Increase of Reserves Earmarked and		47,273	10,499			
Grant Reserves Represented by:		,	.,			
Increase to Reserves		(10,445)	Par	e 39	25	
Total Use of / change to Earmarked and Revenue Grant Reserves	(133,658)	36,828	· 1 <del>0</del> ,3 <b>3</b>	(86,493)		

				Appendix 2
FINANCING OF THE 2024/22 PURCET AT QUARTER 2	Original	Additions to	Additions to	Revised
FINANCING OF THE 2021/22 BUDGET AT QUARTER 2	Budget	Quarter 1	Quarter 2	Budget
	£'000	£'000	£'000	£'000
Net Expenditure Budget	(254,179)			(254,179)
Financed by:				
Business Rates Top-up Grant	(41,748)			(41,748)
Public Health Business Rates Top-up		(164)		(164)
Improved Better Care Fund Grant	(10,859)			(10,859)
Grants in Lieu of Business Rates	(10,843)	(5)		(10,848)
2021/22 Social Care Support Grant	(8,947)	,		(8,947)
Unringfenced COVID-19 Grant	(7,737)			(7,737)
COVID - Additional Restrictions Grant (ARG)	, ,		(1,214)	(1,214)
Local Council Tax Support Grant	(3,183)			(3,183)
Independent Living Fund (ILF) Grant	(2,580)			(2,580)
Housing Benefit & Council Tax Administration Grant	(1,178)	(11)		(1,189)
Opportunity Area Funding - Round 5			(1,339)	(1,339)
Early Identification of Autism Grant			(300)	(300)
Domestic Abuse Safe Accommodation Funding	(578)			(578)
Lower Tier Services Support Grant	(407)			(407)
New Homes Bonus Grant	(171)			(171)
New Burdens Grant		(229)		(229)
Capital grants		(111)	(499)	(610)
School Improvement Monitoring and Brokerage Grant		(108)		(108)
Additional New Burdens in Welfare Reform		(94)		(94)
Verify Earnings and Pension Service		(24)		(24)
Levelling Up Fund - Capacity Funding Grant		,	(125)	(125)
Local Authority New Burdens - Allergen Labelling			(6)	(6)
Section 31 grant for Collection Fund Deficit (to be transferred to Reserves)		(8,119)	(1,679)	(9,798)
Total Government Grant Funding	(88,231)	(8,865)	(5,162)	(102,258)
Council Tax Income - General	(88,329)	,		(88,329)
Council Tax Income - Adult Social Care Precept	(10,523)			(10,523)
Collection Fund Deficit	25,809	(274)		25,535
Use of Reserves to offset Collection Fund Deficit	(25,456)	274		(25,182)
Retained Business Rates	(50,619)		(547)	(51,166)
Total Locally Generated Income	(149,118)	0	(547)	(149,665)
Total Grant and Income	(237,349)	(8,865)	(5,709)	(251,923)
Balance to be addressed by Use of Reserves	(16,830)	, ,		(16,830)
Total Financing	(254,179)	(8,865)	(5,709)	(268,753)

Ringfenced COVID Funding 2021/22 Appendix 3

Kiligiencea COVID I unuing 2021/22	Appendix 3
Grant	Awarded 2021/22
	£
Grants- Council:	
Reopening the High Street Safely Fund (RHSSF)/Welcome Back	(0.10, 110)
Fund	(210,418)
Contain Outbreak Management Fund	(1,996,711)
Test and Trace Support Payments	
- Mandatory payments	(478,750)
- Discretionary payments	(152,750)
- Administration	(80,488)
Covid Winter Grant Scheme	(338,848)
Covid Local Support Grant	(1,146,693)
Household Support Fund Grant	(2,419,369)
Self-isolation Practical Support Payment	(490,982)
Elections Grant	(98,498)
Holiday Activity Funding Grant	(1,566,220)
Prevention and Promotion Fund for Better Mental Health	(323,137)
Infection Control Fund (Quarter 1)	(878,214)
Infection Control Fund (Quarter 2)	(614,131)
Infection Control Fund (Quarter 3)	(1,019,076)
COVID Rapid Flow Testing (Quarter 1)	(640,337)
COVID Rapid Flow Testing (Quarter 2)	(478,160)
COVID Rapid Flow Testing (Quarter 3)	(553,861)
COVID Vaccine (Quarter 3)	(118,170)
COVID - Next Steps Accommodation Programme (NCAP)	(45,533)
Workforce Recruitment and Retention Fund (Adult Social Care)	(759,927)
Sub Total	(14,410,273)
Grants- Schools:	
Workforce Fund	(6,120)
Catch-up Premium Payment	(717,860)
National Testing Programme	(109,570)
Recovery Premium	(1,569,077)
School-led Tutoring Grant Allocations academic year 2021 to 2022	(1,492,854)
Free School Meals Additional Costs	(141,421)
Sub Total	(4,036,902)
Other funding:	(1,000,002)
GM Self Isolation Pathway	(183,035)
Hospital Discharge Fund (Quarter 1 Claim)	(520,189)
Hospital Discharge Fund (Quarter 2 Claim)	
	(615,596)
Sub Total	(1,318,820)
Total	(19,765,995)

Appendix 4-Summary of 2021/22 Approved Budget Reductions and deliverability

Reference	Approved Budget Reductions	Approved Budget Reduction £000	RAG Rating Green - on track and will be delivered Amber - off track but measures in place to recover the position Amber/Red - off track and will only be delivered part of saving Red - off track and will not deliver	Deliverable £000	£000	
CSA-BR1-423	Maximising independence through alternative					
004 554 404	models of care	(1,500)	Amber/Red*	(1,500)	(	
CSA-BR1-424 CSA-BR1-425	CHASC Workforce Reduction Out of Hours Call Centre Support for	(100)	Green	(100)	(	
00A BITT 425	Community Health Services	(20)	Red*	(20)	(	
CSA-BR1-426	Carers Personal Budgets	(100)	Green	(100)		
CSA-BR1-427		(250)	Green	(250)	(	
CSA-BR1-429 CSA-BR1-430	Achieving Better Outcomes: Supported Living	(50)	Green	(50)	(	
00/1 BITT 400	& Learning Disabilities	(288)	Red*	(288)	C	
CSA-BR1-431	Wellbeing Service	(70)	Green	(70)	C	
	Adult Social Care Sheltered Housing Adult Social Care Prevention and Early	(100)	Green	(100)	(	
CSA-BR1-434	Intervention Service	(200)	Green	(200)	C	
CSA-BR1-436	To cease the funding of the Men in Sheds	(===)	5.25.1	(===7	(	
	service	(51)	Green	(51)		
	ommunity Health & Adult Social Care Sport Development	(2,729) (13)		(2,729)	C	
51(1-422	Spar Bovolopinoin	(13)	Green	(13)	C	
REF-BR1-428	School Swimming	(11)	Green	(11)	C	
REF-BR1-416	Districts Realignment	(136)	Croon	(426)	(	
REF-BR1-418	Reduction in Members Ward Budgets	(60)	Green	(136)	0	
REF-BR1-432	Review of Elected Member Reserves	(127)	Green	(60)	0	
REF-BR1-438	HR Staffing Review	(120)	Green Green	(127) (120)	0	
REF-BR1-413	Gallery Oldham	(22)				
REF-BR1-415	Mahdlo Funding Reduction	(100)	Green	(22)		
REF-BR1-417	Youth Service Kerching	(37)	Green	(100)	0	
Directorate : C	ommunities and Reform	(626)	Green	(37) (626)	0	
	Early Help Staffing Efficiencies	(40)	Green	(40)	0	
	External Placements Cost Avoidance	(500)	Green	(500)	Č	
CHS-BR1-440	Quality and Effectiveness Support Team - Service Efficiency / Review	(192)	Green	(192)	C	
CHS-BR1-441	Special Educational Needs & Disability (SEND) Education Provision	(114)	Green	(114)	(	
CHS-BR1-437	Reduction in Traineeship Programme	(65)	Green	(65)	(	
	hildrens Services	(911)	Green	(911)	0	
CEX-BR1-410	Corporate Priorities - CEX	(0=)		(0=)	0	
CEX-BR1-420	Legal Staff Reductions & Reduction of post in	(27)	Green	(27)	C	
OFV DD4 447	Democratic Services	(90)	Green Green	(90)		
CEX-BR1-447	Registrars Service Restructure Financial Services Redesign	(17)	Green	(17)	0	
Directorate : C	Ÿ	(523)		(523)	0.0	
PPL-BR1-401	Creating a Better Place - Projects & Assets	(1,541)	Green/Amber/Red*	(1,143)	398	
PPL-BR1-402	Creating a Better Place - Service Review	(300)	Green	(300)		
PPL-BR1-403 PPL-BR1-404	Digital Mail Printing Reduction - Digital Platform Roll Out	(24)	Green Green	(24)	(	
PPL-BR1-406	Review of Street Lighting Contract	(150)	Green	(150)		
PPL-BR1-407	Transfer of client officer to Unity	(40)	Green	(40)	C	
PPL-BR1-408	To re-align grounds maintenance to support core service functions and reduce the traded			,	C	
PPL-BR1-409	offer Restructure of Neighbourhood Enforcement	(150)	Green	(150)		
PPL-BR1-421	Team Transformation of the Contact Centre	(100)	Green	(100)		
PPL-BR1-439	Internal Efficiency Initiatives (Unity Partnership)	(120)	Green	(120)	(	
	. , ,	(780)	Green	(780)	C	
	eople and Place	(3,225)	D-1	(2,827)	398	
COM-BR1-411 Directorate : C	Procurement Staffing Reduction	(101) (101)	Red	0.0	101 101	
	Voluntary Redundancies	(805)	Green	(805)	0.0	
Directorate : C		(805)		(805)	C	
Grand Total		(8,920)		(8,421)	499	
Amber/Red* - Ar	mber elements being closely monitored in year -		e met by an alternative means in 2021/22 will not be delivered			

Page 43



# CAPITAL INVESTMENT PROGRAMME REPORT 2021/22 Month 6 - September 2021

# 1 Background

- 1.1 The original capital programme for 2021/22 reflects the priorities outlined in the capital strategy as approved at Cabinet on 23 February 2021 and confirmed at the Council meeting on 4 March 2021.
- 1.2 The position as at 30 September 2021 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 2021/22 to 2025/26, approved by Council on 4 March 2021 is summarised in Table 1 and shows capital programme expenditure of £86.002m in 2021/22.

Table 1 : Original Budget - Capital Programme 2021/22 to 2025/26

2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
£000	£000	£000	£000	£000	£000
86,002	94,153	71,418	62,553	27,454	341,580

- 2.2 Table 2 shows the revised capital programme for 2021/22 as at 30 September 2021 at an overall expenditure level of £53.043m, following a number of changes explained in the following paragraphs.
- 2.3 The approved virements of £4.971m (an increase to the 2021/22 budget) represents changes since the reported month 3 position as detailed later in the report (para 2.5).
- 2.4 Actual expenditure to 30 September 2021 was £13.592m (25.62% of forecast outturn). This spending profile is lower than previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.

Table 2 – 2021/22 Capital Programme

Directorate	Revised Budget M03	Approved Virement/ Rephase M06*	Proposed Virement/ Rephase	Revised Budget (M06)	Forecast £000	Variance £000
Corporate Services	7,656	0	(2,776)	4,880	4,880	-
Children's Services	8,269	1,466	5,668	15,403	15,403	-
Communities and Reform	693	1	(658)	36	36	-
Community Health & Adult Social Care (CHASC)	3,407	5	(1,407)	2,005	2,005	-
Housing Revenue Account	4,063	0	(3,278)	785	785	-
People and Place	63,986	3,499	(37,551)	29,934	29,934	-
Overall Total	88,075	4,971	(40,002)	53,043	53,043	-

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

2.5 The previously approved movements, including new funding received since Cabinet approved the month 3 financial monitoring report in September, are as detailed below:

Details of Approvals	Directorate	Amount £000
New Grant Funding – High Needs Capital Grant	Children's Services	830
Additional Local Transport Plan/Integrated Transport Block Grant Funding	People & Place	1,071
New Environment Agency Funding	People & Place	61
Revenue Contribution to the Transport capital programme	People & Place	11
Removal of Grant In Aid funding no longer required	People & Place	(13)
New Grant Funding – Devolved Formula Capital (DFC)	Children's Services	635
Private Contribution / Disabled Facilities Grant schemes	CHASC	5
S106 Funding / Insurance Contributions – various	People and Place	23
DfE Contribution towards Oasis Leesbrook Signalised Junction	People and Place	355
2021/22 Future High Street Fund Grant allocation (£10.750m over all years)	People and Place	1,793
2021/22 Towns Fund Grant allocation (£24.4m over all years)	People and Place	200
Total Approved Virements since Month 3		4,971

2.6 The proposed changes of £40.002m shown in Table 2 present the outcome of the Annual Review of the Capital Programme. This is detailed more fully from paragraph 2.16 and in Appendix G.

2.7 Due to the continued COVID-19 pandemic, there remains an element of uncertainty about the forecast position and it is inevitable that this will change in the remaining months; 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 The revised capital programme for 2021/22 to 2025/26, taking into account all the above amendments in arriving at the revised forecast position, is shown in Table 3 together with the projected financing profile.

Table 3 – 2021/2026 Capital Programme

Directorate Budget	Revised Budget 2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Corporate Services	4,880	5,219	3,119	1,974	5,622	20,814
Children's Services	15,403	6,425	8,892	2,000	4,000	36,720
Communities and Reform	36	408	250	-	-	693
Community Health & Adult Social Care	2,005	1,204	200	200	-	3,608
Housing Revenue Account	785	3,283	8,127	7,914	1,150	21,259
People and Place	29,934	103,351	78,897	41,881	31,473	285,536
Grand Total	53,043	119,890	99,485	53,969	42,245	368,632

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

Funding	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Grant & Other Contributions	(20,263)	(46,036)	(21,867)	(5,411)	(2,406)	(95,983)
Prudential Borrowing	(26,423)	(66,456)	(68,628)	(35,989)	(38,597)	(236,093)
Revenue	(822)	(3,283)	(8,127)	(7,914)	(1,150)	(21,296)
Capital Receipts	(5,535)	(4,115)	(863)	(4,655)	(92)	(15,260)
Grand Total	(53,043)	(119,890)	(99,485)	(53,969)	(42,245)	(368,632)

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

2.9 Since month 3 there has been an increase resources available to the 2021/22 to 2025/26 capital programme of £38.126m which is shown below:

Table 4 - Capital Programme Additional Resources 2021/2026

Details of New Funding	Directorate	Amount £000
Towns Fund Grant	People &Place	24,400
Future High Streets Fund Grant	People & Place	10,751
Additional Transport Grant - Integrated Transport Block	People & Place	1,071
High Needs Grant	Children's Services	830
Schools Devolved Formula Capital Grant	Children's Services	635
Traffic Signalisation Contribution – S278 Agreement -		
Oasis Leesbrook	People & Place	335
Grant in Aid	People & Place	46
Other minor changes	People & Place/CHASC	38
Total Increase to Funding since Month 3		38,126

- 2.10 In addition to the increases to the programme, as advised in section 2.17, the annual review of the capital programme has identified £24.858m of resources that can be removed from the programme thus revising the overall increase in the programme over the period 2021/22 to 2025/26 to £13.628m.
- 2.11 The revised Provision for Emerging Priorities for 2021/22 to 2025/26, taking into account all the above amendments, is contained within the Corporate Services budget and is as follows:

**Table 4 – Provision for Emerging Priorities** 

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£000	£000	£000	£000	£000	£000
Provision for Emerging Priorities	1,115	4,150	3,050	1,836	5,622	15,773

# **Capital Receipts**

- 2.12 The revised capital programme requires the availability of £5.535m of capital receipts in 2021/22 for financing purposes. The total net usable capital receipts currently received in year is £6.285m. This ensures that there is no shortfall in the support for the revenue budget, as the first £2.000m of capital receipts has been used to provide funding under the flexible use of capital receipts initiative.
- 2.12 The capital receipts position as at 30 September 2021 is as follows:

Table 5 – Capital Receipts 2021/22

	£000	£000
Capital Receipts Financing Requirement		5,535
Usable Capital Receipt b/fwd.	-	
Actual received to date	(6,285)	
Further Required/(Surplus) in 2021/22		(750)

- 2.13 Given the significant level 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. This is monitored at the monthly Capital Receipts meeting and will be subject to on-going review throughout the year. It is of course recognised that the pandemic has had an impact of business/economic activities making capital disposals more challenging.
- 2.14 The Capital Strategy and Capital Programme 2021/22 to 2025/26 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. The position as at 30 September 2021 is illustrated in the table below:

Table 6 – Capital Receipts 2021/26

Capital Receipts	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Capital Receipts Carried Forward	-	(3,481)	(263)	(725)	3,930
Estimated Capital Receipts	(2,731)	(897)	(1,325)	-	-
Received in year	(6,285)				
Total Receipts	(9,016)	(4,378)	(1,588)	(725)	3,930
Capital Receipts Financing Requirement	5,535	4,115	863	4,655	92
Over/(Under) programming	(3,481)	(263)	(725)	3,930	4,022

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

2.15 As shown above, the most recent projection indicates a potential shortfall in later years of the programme. However, there will be a further review of the asset disposal programme but until that is completed, it is prudent to retain the current programme and review during the course of the current year.

# **Annual Review of the Capital Programme**

- 2.16 In accordance with previous practice, the Annual Review of the Capital Programme has taken place (the Summer Review). There has been extensive discussion with Project Managers and Finance Officers to determine an updated profile of expenditure for all schemes. It also examined any further opportunities to reallocate resources or decommission schemes. It is also included an in-depth analysis of capital receipts. The outcome of the review has been presented to and agreed by the Capital Investment Programme Board.
- 2.17 The detailed outcome can be found in Appendix G on a scheme by scheme basis and is summarised below on a Portfolio basis.

# a) Corporate Services

There is a proposed rephasing of £2.776m from 2021/22 to 2022/23 and future years, and net increase in the capital programme of £0.500m.

The £2.226m net increase in Funding for Emerging Priorities reflects a realignment and rephasing of resources not now required in 2021/22.

# b) **Children's Services**

There is a proposed acceleration of £5.668m of planned spending from 2022/23 to 2021/22 and a realignment and rephasing of future years budgets to reflect the current projected completions and commencement of works. This produces a net reduction in the capital programme of £0.492m and decreases the requirement for prudential borrowing. The major scheme impact is the bringing forward of £5m to support the Royton and Crompton school scheme.

There is a proposed realignment of resources, £4.135m of Basic Need Grant from 2022/23 to future years.

# c) Communities and Reform

There is a proposed rephasing of £0.658m from 2021/22 to 2022/23 and 2023/24.

# d) Community Services & Adult Social Care

There is a proposed rephasing of £0.804m from 2021/22 to 2022/23 and realignment of excess budget of £1.703m to other priority schemes.

# e) Housing Revenue Account

There is a proposed rephasing of £8.122m from 2021/22 and 2022/23 to future years to reflect revised planned expenditure.

# f) People and Place

There is a proposed rephasing of a net £14.382 to future years, and a net reduction in the overall capital programme of £23.169m. The key changes are outlined below

- Reprofiling of £11.351m of Boroughwide Development Schemes from 2021/22 to future years, including;
  - £7.437m relates to the Refurbishment of the Old Library.
  - £2.000m (2021/22) and £8.000m (2022/23) relating to the Flexible Housing Fund resources.
- £20.000m provisionally allocated to the Broadway Green Commercial Development project is no longer required and has been removed from the Boroughwide programme in 2024/25. The reduction in Prudential Borrowing will be reflected in the Council's revenue budget estimates.
- Reprofiling of £13.658m of Town Centre Developments into future years, largely related to the updated plans for the Spindles Shopping Centre scheme.
- Reprofiling of £4.838m from the Transport capital programme to future years.

# g) Overall Summary

The Annual Review of the capital programme has highlighted a requirement for a net rephasing of £15.143m of planned expenditure from 2021/22 to future years and overall, the reduction of the capital programme by £24.858m (most of which would have been funded by prudential borrowing). This produces an associated revenue financing saving which will be included in future years revenue budget forecasts.

2.18 As advised earlier in the report, in overall terms, there is a net increase to the 2021/22 to 2025/26 Capital Programme of £13.268m since the position reported at month 3

#### 3 Conclusion

3.1 The detailed review of the capital programme has resulted in a significant proposed reprofiling of the programme and removal of resources from schemes which no longer require the funding. The revised forecast spending level for 2021/22 and future years will be closely monitored to ensure that any further changes are reflected in future reports.

# 4 Appendices

- 4.1 Appendix A SUMMARY Month 6 Corporate Services
  - Appendix B SUMMARY Month 6 Children's Services
  - Appendix C SUMMARY Month 6 Communities and Reform
  - Appendix D SUMMARY Month 6 Community Services & Adult Social Care
  - Appendix E SUMMARY Month 6 Housing Revenue Account (HRA)
  - Appendix F SUMMARY Month 6 People and Place
  - Appendix G SUMMARY Month 6 Proposed Changes arising from the Annual Review of the Capital Programme

# **SUMMARY – MONTH 6 (SEPTEMBER 2021) – Corporate Services**

Service area	Revised Budget M03 £000	Approved Virements (to M06) £000	Proposed Virement / Rephase £000	Revised Budget M06 £000	Forecast £000	Year End Variance £000
Corporate	7,656	-	(2,776)	4,880	4,880	-
General Services	-	-	-	-	-	-
	7,656	-	(2,776)	4,880	4,880	-

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

# **Major Variances Commentary**

No additional variances to report

# **APPENDIX B**

# SUMMARY - MONTH 6 (SEPTEMBER 2021) - Children's Services

Service area	Revised Budget M03 £000	Approved Virements (to M06) £000	Proposed Virement / Rephase £000	Revised Budget M06 £000	Forecast £000	Year End Variance £000
Children, Young People & Families	86	-	(73)	13	13	-
Schools – General Provision	531	830	(95)	1,266	1,266	-
Schools – Primary	1,758	505	1,112	3,375	3,375	-
Schools – Secondary	2,621	113	4,728	7,462	7,462	-
Schools – Special	164	17	(3)	178	178	-
Schools – New Build	3,109	-	-	3,109	3,109	-
	8,269	1,465	5,669	15,403	15,403	-

# **Major Variances Commentary**

No additional variances to report

SUMMARY - MONTH 6 (SEPTEMBER 2021) - Communities and Reform

Service area	Revised Budget M03 £000	Approved Virements (to M06) £000	Proposed Virement / Rephase £000	Revised Budget M06 £000	Forecast £000	Year End Variance £000
District Investment Fund	693	1	(658)	36	36	-
	693	-	(658)	36	36	-

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

# **Major Variances Commentary**

No additional variances to report

# APPENDIX D

# SUMMARY - MONTH 6 (SEPTEMBER 2021) - Community Health & Adult Social Care

Comics and	Revised Budget M03	Approved Virements (to M06)	Proposed Virement / Rephase	Revised Budget M06	Forecast	Year End Variance
Service area	£000	£000	£000	£000	£000	£000
Adult Services	3,407	5	(1,407)	2,005	2,005	-
	3,407	5	(1,407)	2,005	2,005	-

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

# **Major Variances Commentary**

No additional variances to report

Service area	Revised Budget M03 £000	Approved Virements (to M06) £000	Proposed Virement / Rephase £000	Revised Budget M06 £000	Forecast £000	Year End Variance £000
Housing Revenue Account	4,063	-	(3,278)	785	785	-
	4,063	-	(3,278)	785	785	-

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

# **Major Variances Commentary**

No additional variances to report

# **SUMMARY – MONTH 6 (SEPTEMBER 2021) - People and Place**

Service area	Revised Budget M03 £000	Approved Virements (to M06) £000	Proposed Virement / Rephase £000	Revised Budget M06 £000	Forecast £000	Year End Variance £000
Asset Management - Corporate Premises	14,576	(8,438)	(4,094)	2,044	2,044	-
Asset Management - Education Premises	4,682	1	(2,589)	2,093	2,093	-
Boroughwide Developments	7,297	8,638	(11,351)	4,584	4,584	-
Development (Economic)	13	1	-	13	13	-
District Partnership – Boroughwide	239	-	(199)	40	40	-
Environment – Cemeteries and Crematorium		-	37	37	37	
Environment – Countryside	145	-	-	145	145	-
Environment – Parks	79	-	(33)	46	46	-
Environment - Playing Fields & Facilities	2	-	(2)	-	-	-
ICT	4,080	-	-	4,080	4,080	-
Parks & Playing Fields	15	-	(2)	13	13	-
Private Housing – HMRF	117	-	-	117	117	-
Private Housing	729	-	(729)	-	-	-
Public Realm	100	-	(95)	5	5	-
Town Centre Developments	14,494	1,052	(13,655)	1,891	1,891	-
Transport - Accident Reduction	852	963	(189)	1,626	1,626	-
Transport - Bridges & Structures	1,782	1,251	(624)	2,409	2,409	-
Transport - Fleet Management	865	16	-	881	881	-
Transport - Highway Major Works/Drainage schemes	9,547	(582)	(1,331)	7,634	7,634	-
Transport - Minor Works	593	123	(244)	472	472	-
Transport – Miscellaneous	3,761	466	(2,451)	1,776	1,776	-
Transport - Street Lighting	18	10	-	28	28	-
	63,986	3,499	(37,551)	29,934	29,934	-

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

Major Variances Commentary No additional variances to report

# Page 56

# SUMMARY - MONTH 6 (SEPTEMBER 2021) Proposed Changes

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Portfolio / Service / Scheme	£000	£000	£000	£000	£000	£000
Capital Treasury and Technical Accounting						
Capital - Corporate						
Corporate including Funding for Emerging Priorities	(2,776)	950	-	600	1,726	500
Capital - Corporate Total	(2,776)	950	-	600	1,726	500
Capital Treasury and Technical Accounting Total	(2,776)	950	-	600	1,726	500
Children's Services						
Capital – Children Young People						
2 Year Old- General Provision	(77)	-	77	-	-	-
Development of Office Accommodation - Children Social Care/Social	, ,					
Workers	3	-	-	-	-	3
Capital – Children and Young People Total	(73)	-	77	-	-	3
Capital - Schools - General Provision	-	-	-	-	-	
Education Basic Need General Provision	-	(4,135)	2,185	2,000	-	50
Schools Feasibility Funding	(50)	95	-	-	-	45
Suitability in Schools	(45)	-	-	-	-	(45)
Capital - Schools - General Provision Total	(95)	(4,040)	2,185	2,000	-	50
Capital - Schools – Primary						
Clarksfield Primary (Oasis Academy) Expansion	1,627	-	(1,627)	-	-	-
Devolved Formula Capital (DFC) Primary School schemes	(353)	353	-	-	-	-
Northmoor Academy Nursery Expansion	(50)	-	-	-	-	(50)
Transfers to Academies	(111)	111	-	-	-	_
Devolved Formula Capital (DFC) Secondary School schemes	(48)	48	-	-	-	_
Royton & Crompton Secondary - Mechanical, Electrical and Roofing	(531)	50	-	-	-	(481)
North Chadderton School Expansion	322	1,562	(1,884)	-	-	-
Royton & Crompton School - Priority School Build Programme Ph.2	5,000	(2,000)	(3,000)	-	-	-
Royton & Crompton Sec School - Full Astro – pitch replacement.	(14)	-	-	-	-	(14)
Capital - Schools - Secondary Total	4,729	(340)	(4,884)	-	-	(495)

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Portfolio / Service / Scheme	2021/22 £000	202223 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Capital - Schools - Special		2000	2000	2000	2000	2000
Devolved Formula Capital (DFC) Special School schemes	(4)	4	_	_	_	_
Capital - Schools - Special Total	(1) (4)	4	_	_	_	_
Capital - Schools New Build	(-)					
Saddleworth School New Build	-	(4,000)	-	-	4,000	-
Capital - Schools New Build Total	-	(4,000)	-	-	4,000	-
Children's Services Total	5,668	(7,910)	(4,249)	2,000	4,000	(492)
Communities and Reform						
Capital – District Investment Fund (DIF)						
DIF - Chadderton District Partnership (3 wards)	(21)	21	-	-	-	-
DIF - Failsworth District Partnership (3 wards)	(56)	56	-	-	-	-
DIF - Oldham District Partnership (7 wards)	(59)	59	-	-	-	-
DIF - Saddleworth & Lees District Partnership (3 wards)	(12)	12	-	-	-	-
DIF - Shaw & Crompton District Partnership (2 wards)	(10)	10	-	-	-	-
LIF - Local Investment Fund	(500)	250	250	-	-	-
Capital - DIF Total	(658)	408	250	-	-	-
Communities and Reform Total	(658)	408	250	-	-	-
Community Services & Adult Social Care						
Capital - Adult Services						
Disabled Facilities Grant (DFG) Additional Projects	(4)	-	-	-	-	(4)
Disabled Facilities Grant (DFG) Boroughwide	(1,000)	1,004	-	-	-	4
Social Care - General Provision	(403)	(200)	(200)	(900)	-	(1,703)
Capital - Adult Services Total	(1,407)	804	(200)	(900)	-	(1,703)
Community Services & Adult Social Care Total	(1,407)	804	(200)	(900)	-	(1,703)
Housing Revenue Account (HRA)						
Capital – HRA						
HRA Capital Strategy	(3,098)	(4,844)	213	6,764	1,150	185
Primrose Bank Purchase	(180)	-	-	-	-	(180)
Capital - HRA Total	(3,278)	(4,844)	213	6,764	1,150	5

Portfolio / Service / Scheme	2021/22 £000	202223 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Housing Revenue Account Total	(3,278)	(4,844)	213	6,764	1,150	5
People and Place						
Capital - Asset Management - Asset Management						
Asset Management (non-Education premises)	(4,094)	3,939	155	-	-	-
Capital - Asset Management - Asset Management Total	(4,094)	3,939	155	-	-	-
Capital - Asset Management - Education Premises						
Asset Management - Education Premises (General)	(160)	270				
Asset Management - Education Premises (Primary Schools)	(2,279)	2169				
Asset Management - Education Premises (Secondary Schools)	(150)	150				
Capital - Asset Management - Education Premises Total	(2,589)	2,589	-	-	-	-
Capital - Boroughwide Developments		·				
Acquisitions	(163)	163	-	-	(2,485)	(2,485)
Alexandra Park Depot	(1,470)	1,470	-	-	-	-
Broadway Green Commercial Developments	-	-	-	(20,000)	-	(20,000)
Disposal Programme – Pre-Sales Expenditure (Strategic Regeneration)	50	50	-	-	-	100
Outstanding Compensations - General Provision	-	-	-	(92)	92	-
Flexible Housing Fund	(2,000)	(8,000)	6,000	3,000	1,000	-
Foxdenton Redevelopment	(348)	-	-	-	-	(348)
Hollinwood / Langtree Regeneration	17	233	-	-	-	250
Old Library Refurbishment	(7,437)	5,000	2,483	-	-	46
Capital - Boroughwide Developments Total	(11,351)	(1,084)	8,483	(17,092)	(1,394)	(22,437)
Capital – District Partnerships (DP) - Boroughwide						
A62 Oldham Road Corridor- Manchester Boundary to M60 Motorway-						
District Centres Business Support (Neighbourhood Developments)	(72)	12	60	-	-	-
Boroughwide Business Grants Programme	(60)	10	50	-	-	-
Local Investment Fund (LIF) - Royton High Street Grants	(23)	5	18	-	-	-
Shaw & Lees District Centres Business Support (Neighbourhood	(44)	14	30			
Developments) Capital DR Baroughwide Total	(44)			-	-	-
Capital - DP - Boroughwide Total	(199)	41	158	-	-	-

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Portfolio / Service / Scheme	2021/22 £000	202223 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Capital - Env - Cemeteries and Crematorium		2000	2000	2000	2000	2000
Mercury Abatement	37	(953)	41	875	-	-
Capital - Env - Cemeteries and Crematorium Total	37	(953)	41	875	-	-
Capital - Env - Parks						
LIF - Westminster Gardens	(34)	34	-	-	-	-
Capital - Env - Parks Total	(34)	34	-	-	-	-
Capital - Env - Playing Fields & Facilities						
Milne Street MUGA and Play Space	(2)	2	-	-	-	-
Capital - Env - Playing Fields & Facilities Total	(2)	2	-	-	-	-
Capital - Parks & Playing Fields						
Cottam Street Pocket Park	(2)	-	-	-	-	(2)
Capital - Parks & Playing Fields Total	(2)	-	-	-	-	(2)
Capital - Private Housing - Non-HMRF						
Foxdenton - Broadway Green Phase 2	(729)	-	-	-	-	(729)
Self Delivery - Housing on Council Land	-	(5,000)	-	-	5,000	-
Capital - Private Housing - Non-HMRF Total	(729)	(5,000)	-	-	5,000	(729)
Capital - Public Realm						
Yorkshire Street Triangle	(95)	45	50	-	-	-
Capital - Public Realm Total	(95)	45	50	-	-	-
Capital - Town Centre Developments						
Egyptian Room	(241)	241	-	-	-	-
Town Centre Developments including Town Fund Grant Allocation	(13,414)	3,898	6,708	(1,067)	3,875	(661)
Capital - Town Centre Developments Total	(13,655)	4,139	6,708	(1,067)	3,875	-
Capital - Trans - Accident Reduction						
Elk Mill Signalisation	(150)	150	-	-	-	-
Wellyhole Street / Constantine Street Traffic Calming	(40)	40	-	-	-	-
Capital - Trans - Accident Reduction Total	(190)	190	-	-	-	-
Capital - Trans - Bridges & Structures						
A62 Huddersfield Road, Scouthead (Near Doctor Lane)	(50)	-	-	-	-	(50)

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Portfolio / Service / Scheme	2021/22 £000	202223 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Abbey Hills Road Culvert	(40)	40				-
The Causeway Bridge, The Causeway off Gateway Crescent	(100)	100	_	_	_	-
Denshaw Bridge, Delph Road	(20)	20	_	-	-	-
Laurel Avenue Bridge	(20)	20	-	-	-	-
Shaws Lane Footbridge	(40)	40	-	-	-	-
Street Bridge Road Bridge	(20)	20	-	-	-	_
Bridge Work - King Street Roundabout Footbridge	(105)	105	-	-	-	-
Waterloo & Wellington Bridges	(51)	(1,660)	1,711	-	-	-
Park Bridge to Ashton	(28)	28	-	-	-	-
Tame Water Culvert, Delph	(70)	70	-	-	-	-
Thurston Clough Culvert, Delph	(79)	-	-	-	-	(79)
Capital - Trans - Bridges & Structures Total	(623)	(1,217)	1,711	-	-	(129)
Capital - Trans - Highway Major Works/Drainage schemes						
2021/22 Highways Investment Programme (HIP) Schemes - Red	1,612	-	-	-	-	1,612
2021/22 HIP Schemes Amber	1,549	400	-	-	-	1,949
Elk Mill Roundabout	(15)	15	-	-	-	-
Local Transport Plan (LTP) Turf Pitt lane	(50)	50	-	-	-	-
Oldham Town Centre Improvements	(2,514)	2,514	-	-	-	-
Park Road to Town Centre	(80)	80	-	-	-	-
Royton Town Centre Connection	(187)	187	-	-	-	-
Transport Investment	(1,646)	(1,787)	-	-	-	(3,432)
Capital - Trans - Highway Major Works/Drainage schemes Total	(1,330)	1,459	-	-	-	129
Capital - Trans - Minor Works						
Chadderton Pedestrian & Cycle Access Improvements	(244)	244	-	-	-	-
Capital - Trans - Minor Works Total	(244)	244	-	-	-	-
Capital - Trans - Miscellaneous						
Eastern Gateway Improvements (Prince's Gate)	(100)	100	-	-	-	-
Growth Deal 3 (GD3) – Market Hall Connectivity Improvements	(2,053)	2,053	-	-	-	-
Growth Deal 3 - Programme Management Support	(80)	80	-	-	-	-

	2021/22	202223	2023/24	2024/25	2025/26	Total
Portfolio / Service / Scheme	£000	£000	£000	£000	£000	£000
Southlink Traffic Signal Junction (GD3)	(218)	218	-	-	-	-
Capital - Trans - Miscellaneous Total	(2,451)	2,451	-	-	-	-
People and Place Total	(37,551)	6,878	17,306	(17,284)	7,482	(23,169)
Grand Total	(40,002)	(3,715)	13,320	(8,820)	14,358	(24,858)
	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Funding	£000	£000	£000	£000	£000	£000
Grant & Other Contributions	10,425	(9,916)	1,800	(1,437)	-	872
Prudential Borrowing	24,393	7,198	(15,046)	20,280	(13,116)	23,708
Revenue	3,278	4,844	(213)	(6,764)	(1,150)	(5)
Capital Receipts	1,905	1,589	139	(3,258)	(92)	283
TOTAL	40,002	3,715	(13,320)	8,820	(14,358)	24,858

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# **Report to CABINET**

# **Schools National Funding Formula**

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader and

Cabinet Member for Finance and Green

Officer Contact: Anne Ryans Director of Finance

Report Author: Liz Caygill, Schools Finance Manager

Ext.

**13 December 2021** 

#### **Reason for Decision**

Following the Government announcement in July 2021 regarding the resources available for School Funding for 2022/23, it is necessary to consider how the funding for Schools and Academies should be distributed in 2022/23.

# **Executive Summary**

This report advises of the level of Dedicated Schools Grant (DSG) for 2022/23 together with its allocation across the three funding blocks for which information is currently available. It is important to note that this funding is based on October 2020 pupil numbers and will be subject to change once calculations have been updated to reflect October 2021 pupil numbers.

The report also provides information about the National Funding Formula (NFF) for Schools, the High Needs Blocks for Oldham and also presents a recommended approach for the distribution of the Schools Funding Block of the DSG to Schools and Academies for 2022/23.

In addition, the report presents the proposed option (Model 1 as detailed in Appendix 1) to move to the 2021/22 NFF cash values in full except for the Area Cost Adjustment (ACA) where it is proposed that the factor applied in Oldham is initially reduced from 1.00546 to 1.00000. However, Members are advised that if there are any resources available once funding allocations based on updated pupil numbers are received, then this additional funding will be allocated through an increase to the ACA.

The indicative Schools block allocations to Local Authorities are funded by multiplying a Primary Unit of Funding (PUF's) and Secondary Units of Funding (SUF's) cash value by each pupil. The PUF's and SUF's for 2022/23 have been calculated based on school and pupil characteristics data from the 2021/22 Authority Proforma Tool (APT) data which was based on October 2020 census information. They will not be updated for any characteristic changes to the October 2021 census until 2023/24. If there is a significant change in characteristics such as eligibility for free school meals, the factor values in the local formulae will be adjusted as necessary to meet any affordability pressures.

It is also proposed that there is up to a 0.5% movement of funding from the Schools Block to the High Needs Block in order to manage the DSG (which is currently in a deficit position) so that the DSG is brought back into a balanced position by the end of 2023/24 as required by the Department for Education.

However, following the Government's Spending Review and the announcement that there will be £1.6bn in additional funding for 2022/23 budgets, on top of the year-on-year increase already confirmed, the proposed transfer will be reviewed to see if there is still a requirement for a 0.5% transfer from the Schools Block once detailed funding is known.

#### Recommendation

#### That Cabinet approves:

- The model outlined in the report which is a move to the 2022/23 NFF cash values in full except for the Area Cost Adjustment factor, which is reduced to 1.00000 but with the opportunity to adjust the ACA if there are any resources available once actual 2022/23 funding allocations are received.
- 2) The adjustment of the model if there is a significant change in characteristics such as eligibility for free school meals to meet any affordability pressures; and
- 3) Up to a 0.5% transfer of funding between the Schools and the High Needs Blocks subject to the receipt of detailed additional funding information (arising from the Spending Review announcement) which will determine if the transfer is still required once details of the additional funding for 2022/23 are available.

Cabinet 13 December 2021

# **Schools National Funding Formula**

#### Background

1.1 The Dedicated Schools Grant (DSG) is a ringfenced grant payable to Local Authorities by Government for the funding of schools and academies. Over a number of years, the Government is changing the way it funds schools via the DSG from locally agreed arrangements towards a standard means of allocating resources. This is known as the National Funding Formula (NFF).

# 1.2 The DSG is made up of 4 blocks of funding

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

#### The **Schools Block** covers funding for:

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

#### The **High Needs Block** supports:

- a) Provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25 in a range of provision including Special Schools, the Pupil Referral Unit, Post 16, Out of Borough and Independent in Borough placements, and the additional number of children with Education, Health and Care plans in mainstream schools.
- b) Council centrally retained expenditure for High Needs.

# The Early Years block covers:

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

#### The Central Schools Services block covers:

- a) Funding previously allocated through the retained duties element of the Education Services Grant (ESG) which was discontinued from 2018/19
- b) Central school services which includes the expenditure related to Schools Forum, Premature Retirements, Admissions service, and School Improvement
- c) School Licenses
- d) Statutory and Regulatory duties.
- 1.3 Each of the 4 blocks is determined by a separate National Funding Formula which calculates the funding due to Local Authorities. The Department for Education (DfE) has calculated the funding the Local Authority will receive for the Schools Block as if the National Funding Formula had been applied to Schools.

- 1.4 There has been little change in the national funding arrangements between those operating in 2021/22 and those proposed for 2022/23 and therefore, as will be explained later, there is no requirement for Authorities to move further to the funding allocation methodology that was initially introduced by the NFF in 2018/19. It remains the role of the Local Authority in 2022/23 to determine the funding for Schools and Academies via their Local Funding Formula for the Schools Block.
- 1.5 There is a requirement for a Local Authority (LA) to consult with Schools and Academies on the DSG allocation methodology that will be applied for the forthcoming financial year. Therefore, consultation on the 2022/23 Oldham DSG funding methodology ran from 18 October to 12 November 2021. The outcome of the consultation was presented to the Schools Forum at its meeting of 17 November 2021 and is shown in sections 2.32 to 2.34 below.

#### 2 Current Position

# **Funding Announcements**

- 2.1 On 19 July 2021, the Department for Education (DfE), via the Education and Skills Funding Agency (ESFA) published provisional DSG funding allocations for 2022/23.
- 2.2 The 2022/23 indicative DSG for Oldham is £274.906m. As illustrated in the table below, this excludes funding for both the Early Years Block for 2022/23 and the Schools Block Growth, both of which are expected to be notified in December 2021. If these two areas are excluded, there has been an overall increase in funding of £10.313m between 2021/22 and 2022/23. The initial allocations as notified are based on October 2020 pupil numbers. The final allocations for 2022/23 will be calculated using the October 2021 census which will be announced in December 2021.

Table 1 2021/22 DSG and the Indicative Allocation for 2022/23

Dedicated Schools Grant (DSG)	2021/22 £000	2022/23 £000	Difference £000
Schools Block	217,425	223,598	6,173
High Needs Block	44,550	48,904	4,354
Central Schools Services Block – on-going costs	1,557	1,555	(2)
Central Schools Services Block – historic costs	1,061	849	(212)
Sub Total	264,593	274,906	10,313
Early Years Block	19,715	tbc	(19,715)
Schools Block Growth	1,224	tbc	(1,224)
Total	285,532	274,906	(10,626)

2.3 The Central School Services Block (CSSB) provides funding for Local Authorities to carry out central functions on behalf of maintained Schools and Academies. The Block comprises two distinct elements: on-going responsibilities and historic commitments. For 2022/23, historic commitments have been reduced by a further 20%. The DfE will continue to unwind this funding in future years. As a result, the allocation for Oldham for 2022/23 has reduced by £0.212m. There has been a further reduction of £0.002m, for on-going responsibilities. The impact of these reductions will be managed as part of the Council's 2022/23 budget setting process.

- 2.4 The indicative Schools Block allocations to Local Authorities are funded by multiplying a Primary Unit of Funding (PUF's) and Secondary Units of Funding (SUF's) cash value by each pupil. The PUF's and SUF's for 2022/23 have been calculated based on school and pupil characteristics data from the 2021/22 Authority Proforma Tool (APT) data which was based on October 2020 census information. They will not be updated for any characteristic changes to the October 2021 census until 2023/24. If there is a significant change in characteristics such as eligibility for free school meals, the factor values in the local formulae will be adjusted as necessary to meet any affordability pressures.
- 2.5 The DfE has also issued financial information on the funding that individual schools would receive if the Local Authority moved in full to the NFF for 2022/23. These illustrative allocations are based on 2020 pupil data and characteristics. Each school can view the calculation of its budget via the DfE COLLECT Portal
- 2.6 In 2022/23 the DfE will provide funding in the School's Block as follows:
  - (a) An increase of around 3.00% on 2021/22 NFF cash values (not locally set cash values) for pupil led factors, excluding Free School Meals (FSM) and the Minimum Funding Guarantee (MFG)
  - (b) An increase of 2.17% in line with inflation for Free School Meals
  - (c) Area Cost Adjustment (ACA) once the NFF cash values have been set for those factors at point (a) and (b) above, an area cost adjustment then inflates the allocation using a weighted multiplier. The ACA is a nationally determined weighting which is calculated based on differences in salary costs throughout the country and general labour market costs. The ACA will therefore be different in each local authority. In Oldham the ACA is 1.00546.
    - It is important to note that the 2022/23 Oldham funding formula (discussed in detail later in the report) proposes an ACA factor of 1.00000. However, any resources available once actual allocations are received will be allocated through an increase to the ACA. It is considered that adjusting the ACA i.e., increasing cash values, is the most equitable way to allocate any remaining funding. This will impact on all cash values equally. If there was to be an adjustment to just one of the factors, the increase would not be seen fairly by all schools.
  - (d) An increase of 2.97% on 2021/22 NFF cash values (not locally set cash values) for lump sum
  - (e) A Minimum Funding Level per pupil of £4,265 in primary and £5,525 secondary.
  - (f) A Minimum Funding Guarantee of 2.00% and no capping for any gainers.
- 2.7 As a result of the DfE notifications, the indicative High Needs Block allocation of has increased between 2021/22 and 2022/23 by £4.354m to £48.904m. The actual allocation for High Needs will change further having regard to changes in pupil and student numbers and their movement between Local Authorities through the basic entitlement factor and import/export adjustment. The High Needs Block of the DSG has been in a deficit position for several years and even with this increase in resources, is forecast to remain in a cumulative deficit position. The funding pressure that this High Needs position has caused, has resulted in the whole DSG being in a deficit position. Over the past six years, the Council and Schools Forum have agreed a

movement of funding from the Schools to the High Needs Block as a means of managing this deficit.

2.8 The table below shows the approved cash movements from the School's Block by financial year and as a percentage. This has been an extremely important, indeed a vital, means of managing the DSG financial position and highlights the collaborative way in which Schools Forum has worked to support the Oldham Schools family.

Table 2- Approved Movements from the Schools Block to High Needs Block

Financial Year	£000	% Movement Between Blocks
2016/17	385	0.21
2017/18	2,380	1.29
2018/19	1,878	1.00
2019/20	1,594	0.84
2020/21	1,009	0.50
2021/22	1,049	0.50

- 2.9 The 2022/23 consultation process with schools set out the proposal for a further movement of funding between the Schools and High Needs Block. Therefore, the Council sought Schools Forum agreement to the transfer of 0.5 % to the High Needs Block. In this regard it is important to note that the 2022/23 High Needs funding is expected to be sufficient to cover estimated in-year spending demands in the High Needs Block, but this does not address the cumulative deficit position.
- 2.10 The Spending Review announcement on 27 October 2021 (after the 2022/23 consultation process had begun) advised that there will be £1.6bn in additional funding for 2022/23 schools budgets, on top of the year-on-year increase already confirmed. Therefore, a key element of the consultation with Schools Forum was that the proposed transfer will be reviewed to see if there is still a requirement for a 0.5% transfer from the Schools Block once detailed funding allocation is known. Whilst additional funding is welcome, the lack of certainty about the level of any additional funding or how it will be directed to support schools is creating a challenge in schools' budget setting arrangements for 2022/23.

# The DSG Recovery Plan/ Management Plan

- 2.11 Members will be aware that the DSG deficit position has required the Council to liaise with the DfE about a Recovery Plan to take the DSG into a balanced/surplus position by the end of 2023/24. In line with the revised guidance on DSG deficits, on 20 May 2021, Oldham had an informal meeting with ESFA Local Authority funding colleagues and a Special Educational Needs and Disabilities adviser to discuss the DSG Recovery Plan. This meeting was to consider and agree any support that the ESFA could provide in taking forward the Recovery Plan. This meeting was attended by the Council's Director of Finance, other Finance colleagues and the Assistant Director SEND. It was agreed the Authority would submit an updated Recovery Plan using the DfE Management Plan template. This updated Management Plan was submitted on 18 October 2021 and a follow up meeting to discuss this took place on 9 November 2021.
- 2.12 The meeting with the DfE/ESFA officials went well with positive comments received with regard to the progress being made in managing the DSG deficit. As advised, DfE officials commented about the availability of additional funding to support current plans, but could provide no details as to extent or nature of the funding.

- 2.13 It is obviously an important element of the financial management of the Authority that the DSG is not in a deficit position and there has been action to address this. However, the current deficit has resulted from the increase in DSG resources being more than offset by the increasing numbers of children with special needs entering the education system, predominantly resulting in increased expenditure in the High Needs Block. Action taken so far to try to reduce the deficit includes:
  - The revision of Council processes to ensure that Education Health Care Plans (EHCP's) are issued in a timelier manner and reviewed more frequently with regard to the needs of the child
  - Changes to the process for the placement of children out of borough
- 2.14 Work will continue during the remainder of 2021/22 and throughout the next two years to address the DSG deficit position, building on the work already in train, with the continued monitoring of the detailed DSG Recovery Plan. However, it is evident, that progress has been hindered by the impact of COVID-19 and the widespread disruption to the education system during 2020 and 2021.
- 2.15 The DfE expects Local Authorities to have regard to the significant increase in High Needs funding in 2022/23 on top of increases in the previous year, when making decisions on block movements, and for these to have been appropriately discussed at Schools Forum meetings. It is important to note that the Department is still allowing transfers of up to 0.5% from the Schools Block to the High Needs Block in 2022/23 with the approval of the Schools Forum.
- 2. 16 When the DSG budget was set for 2021/22, Schools Forum agreed to a 0.5% movement between the Schools and High Needs Blocks with the expectation that there would be no requirement for a transfer in 2022/23. However, as outlined later in the report, the financial position of the DSG has not improved as anticipated and therefore taking into account all known factors including the approvals process and the expectations of the DfE, it is proposed that there is a transfer between the Schools and High Needs Blocks in 2022/23 of up to 0.5%.
- 2.17 As advised above, the Spending Review promised additional funding, over and above that already notified, so any transfer between Blocks will be subject to review once the detailed additional funding information is known. As discussed at School Forum and in consultation meetings with schools, a transfer between Blocks will only take place if there is no prospect of bringing the DSG into a balanced or surplus position without it.
- 2.18 Elsewhere on the agenda, the month 6 Financial Monitoring report presents a previous iteration of the Recovery Plan (prepared at the end of September). This shows a forecast 2021/22 cumulative DSG deficit of £3.725m, reducing to £0.442m at the end of 2022/23. The Recovery Plan has now been revisited and this highlights that the DSG deficit forecast for 2021/22 has slightly increased to £3.731m.
- 2.19 The table below summarises the revised DSG Recovery Plan firstly with and then without a movement between the Schools and High Needs Block. Without a transfer the DSG is forecast to remain in deficit by the end of 2023/24. However, with a transfer from the Schools to High Needs Block in 2022/23 (but not 2023/24) the DSG is forecast to move back to a surplus of £0.844 in 2023/24.
- 2.20 The Recovery Plan also assumes cumulative savings of £0.750m across the three years from bringing pupils from out of Borough provision back in borough. However, if these savings are not achieved in full, the DSG will have an even greater deficit at the end of 2023/24 if there is no transfer between Blocks.

**Table 3 - DSG Recovery Plan** 

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Opening Balance - Surplus/(Deficit)	(4,916)	(3,560)	(3,731)	(382)
Movements per original plan	1,048	5,081		
Revised Forecast Variance	(3,868)	(1,105)	(3,731)	(382)
Estimated Additional (Pressures)/ Savings	308	(5,252)	2,225	1,226
Indicative Transfer from Schools Block	0	0	1,124	0
Revised Net Forecast (Deficit)/Surplus with a 0.5% transfer	(3,560)	(3,731)	(382)	844
Revised Net Forecast (Deficit)/Surplus without a 0.5% transfer in 2022/23			(1,506)	(280)

# The Requirement for Consultation

2.21 As advised, it is a requirement that there is consultation with schools and the Schools Forum to determine the local funding formula for schools. The timeline for such consultation for 2022/23 is highlighted in the table below. A meeting was held with the Fair Funding Group, on 3 November to discuss the issues upon which schools were being consulted. Further meetings were held with the Primary Head Teachers Group on 10 November and Secondary Head Teachers Group on 11 November. The Consultation Document setting out the issues upon which schools were being consulted was issued on 18 October is available within the Schools Forum section of the Council's website, which is accessible via the link in Section 19 (Background Papers) of this report. The consultation period ran from 18 October to 12 November 2021.

**Table 4- Consultation Timetable** 

Consultation Stage	Date
Fair Funding Group Consultation with Schools Schools Forum Meeting Cabinet Meeting Schools Forum Schools Block Formula sent to the DfE	3 November 2021 18 October to 12 November 2021 17 November 2021 13 December 2021 19 January 2022 21 January 2022

2.22 The Consultation Document was issued to 105 individual Schools and Academies. It outlined the proposed funding model and requested a response to the following question (together with an opportunity to provide any further comments or observations):

'Do you support the Local Authority proposal of a transfer to the High Needs block of 0.5% from the Schools Block in 2022/23?'

All Consultation responses and comments were collated and presented to the Schools Forum on 17 November as set out in section 2.32 to 2.34 below.

#### Consultation on the approach to the NFF

- 2.23 The currently available NFF values has 14 factors which influence funds allocation levels, and these have been used to calculate the funding allocated to the Authority. However, for 2022/23 the distribution of funding can still have an element of local determination, hence Oldham currently has the flexibility to set its own funding formula in order to distribute the school block allocation.
- 2.24 For 2022/23 for Oldham, the proposed funding formula continues to substantially use Oldham's 2018/19 funding formula but moved fully to the National Funding Formula except for the area cost adjustment (ACA) by providing a minimum per pupil funding level of £4,265 per primary pupil and £5,525 per secondary pupil with an MFG of 2 per cent and no cap on any gainers.
- 2.25 Growth funding is within Local Authorities' Schools Block DSG allocation. The growth fund is to support pupil growth relating to LA planned basic need for schools where it has been already been agreed with the LA that there will be an increase in the planned admission numbers (PAN) by means of the provision of a school extension. There is an estimated closing balance on the growth fund of £0.655m for 2021/22. It is proposed to use £0.288m of the £0.655m growth funding to support the proposed 0.5% Schools to High Needs Block transfer. Funding part of the transfer in this way means that individual schools' allocations are protected. If applied, this would leave an indicative growth fund balance of £0.367m.
- 2.26 Two options for Oldham's funding formula for 2022/23 have been modelled and were issued to schools for consultation. One model reflects schools funding allocations if Oldham moved to the NFF cash values in full and there was an adjustment to the ACA element of the formula. This is the proposed model for 2022/23. Also modelled was the movement to NFF cash values in full and there was an ACA element of the formula of 1.005
- 2.27 The proposed option is based on current characteristics as outlined at 2.4 and is subject to change when the actual numbers of pupils included in the October 2021 census is notified to the Council. This data will be released in late December 2021 and the allocations will then be revised.
- 2.28 The proposed approach has been based on 3 key principles:
  - The presentation of what is considered to be the fairest allocation of resources for Oldham Schools and Academies having regard to prevailing pressures and issues
  - To ensure that Oldham Schools are best placed for smooth implementation when the National Funding Formula for Schools is fully introduced
  - The positive management of the DSG deficit position
- 2.29 It is important to note that the key components of the financial strategy to bring the DSG towards a balanced position are as follows;
  - a) A proposed move to the 2022/23 NFF cash values in full except for the ACA where it is proposed that the factor applied in Oldham is reduced from 1.005 to 1.00000.

Any resources available once actual allocations are received will be allocated through an increase to the ACA. It is considered that by adjusting the ACA i.e. increasing cash values, this is the most equitable way to allocate any remaining

- funding. This will impact on all cash values equally. If there was to be an adjustment to just one of the factors, the increase would not be seen fairly by all schools.
- b) A 0.5% transfer of funding between the Schools and the High Needs Blocks in 2022/23.
- 2.30 A summary of the model follows and detailed calculations are attached at Appendix 1. In reviewing the model, it may be useful to note the following;
  - a) Local Authorities may top-slice the Schools Block of the DSG in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the Authority, including pre-opening, diseconomy of scale and reorganisation costs. In this regard the Schools Block predicted in the option table in section 2.31 shows the funding available to schools at £227.493m which includes an estimated £1.351m for growth funding and an estimated funding brought forward for Growth of £0.655
  - b) From 2019/20, there has been a new approach for allocating funding to Local Authorities to support schools with significant in-year growth in pupil numbers. Local Authorities will be funded according to actual levels of pupil number growth, rather than on the basis of historic spend. Appendix 2 details the current growth funding for Oldham schools.

#### **Proposed Funding Model**

2.31 The model proposes a 0.5% movement to the High Needs Block at an estimated value of £1.124m from the growth fund within the Schools Block. The model uses the cash values based on moving to the NFF values in full except for the ACA which will be set at 1.00000. This is considered to be the fairest method of financing a 0.5% movement to the High Needs Block as it does not impact on schools been funded at NFF cash values. The figures used are provisional estimates and will be revisited once final allocations are received. If there is a balance remaining when actual funding is received this will be transferred to the Area Cost Adjustment to increase the funding allocations for schools.

Table 5 - Proposed Allocation of the 2022/23 DSG

Model	£000	£000
Schools Block		225,487
Estimated additional Schools Block for growth		1,351
Estimated growth b/fwd.		655
Funding Available to allocate to schools		227,493
Formula Allocation to Schools based on October 2020 Pupils	222,330	
Cost of Oasis Leesbrook and Brian Clarke Schools Growth	3,230	
Current funding allocated through school's block		225,560
Estimated explicit growth 2022/23 for planned expansions		809
Proposed Transfer to Schools Block		1,124
Balance Remaining		0

#### **Outcome of the Consultation with Schools**

2.32 The consultation with 105 Schools and Academies closed on 12 November 2021. The number of responses to the consultation is shown in the Table below. As can be seen, the overall response rate was 14%, with responses varying between sectors.

**Table 6 Consultation Responses in Total** 

Туре	Number of Responses	Number of Consulted	Response Rate
Primary	12	86	14%
Secondary	3	13	23%
Special	0	6	0%
Total	15	105	14%

2.33 The response to the consultation question is shown in the table below and highlights that although there was a low response, 60% of respondents agreed with the proposal for the 0.5% movement.

**Table 7 Consultation Responses in Detail** 

Question	ANSWER YES	ANSWER NO	TOTAL
Do you support the Local Authority proposal of a transfer to the high	9	6	15
needs block of 0.5% from the Schools Block in 2022/23?'	60%	40%	100%

2.34 After consideration of the consultation responses and the reports presented for discussion, Schools Forum, at its meeting on 17 November 2021, resolved unanimously to approve the funding formula proposed for 2022/23 with up to a 0.5% transfer of funding between the Schools and the High Needs Blocks subject to the receipt of detailed additional funding information (arising from the Spending Review announcement) which will determine if the transfer is required

(Votes: 7 for and 0 against – 100% in favour, a unanimous decision).

# **Updated DSG Recovery Plan**

2.35 Following Schools Forum, the table below shows the revised Recovery Plan which incorporates the approved 0.5% movement 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 surplus in 2023/24. This will be reviewed further once details of the Spending Review are received and the transfer between the Schools Block and High Needs Block adjusted if possible.

Table 8- The DSG Recovery Plan - Updated

	2021/22 £000	2022/23 £000	2023/24 £000
Opening Balance - Surplus/(Deficit)	(3,560)	(3,731)	(382)
Movements per original plan	5,081		
Revised Forecast Variance	(1,105)	(3,731)	(382)
Estimated Additional (Pressures)/ Savings	(5,252)	2,225	1,226
Transfer from Schools Block	0	1,124	0
Revised Net Forecast (Deficit)/Surplus with a 0.5% transfer	(3,731)	(382)	844

2.36 It is important that the DSG position is carefully monitored to ensure that the DSG deficit reduces as expected. Each Schools Forum meeting receives financial updates and Members receive information on the DSG in the Financial Monitoring reports considered at Cabinet. This will continue during 2022/23. Officers from the Children's Services Portfolio are engaged in taking forward the actions planned to support DSG efficiencies, supported by the Finance Team as appropriate.

#### 3 Options/Alternatives

3.1 There is a requirement for the 2022/23 funding formula to be agreed by Schools Forum. The report sets out the funding formula agreed unanimously by Schools Forum members at their meeting on 17 November 2021. In view of the Schools Forum decision, Members are not therefore presented with an alternative approach.

#### 4 Preferred Option

4.1 In view of the School Forum decision, the preferred option is that Members agree to accept Oldham's funding formula for 2022/23 as set out in this report. The formula is presented is to move to NFF cash values except for the ACA where the factor is 1.00000 is used but with an opportunity, if there are any resources available once actual allocations are received, to allocate these through an increase to the ACA. The formula also includes a movement of 0.5% between the Schools and High Needs Block, the requirement for which will be reviewed once detailed additional funding information is received.

#### 5 Consultation

- 5.1 The report sets out the consultation that took place with Schools and Schools Forum during October and November 2021 which has informed the recommendations of this this report
- 5.2 There has also been consultation with officers of the Council together with detailed consultation with the Cabinet Members for Education and Skills and Finance and Low Carbon.

#### 6 Financial Implications

6.1 A key requirement of the Local Education Authority is to ensure the effective financial management of DSG resources. It is also important to ensure that those resources

that are available for allocation to schools are distributed in a fair and equitable way. A particular concern in the context of the 2022/23 allocation of resources is that the DSG is currently in a deficit position and will not be brought into a position where there is a surplus in 2023/24 unless steps are taken to manage spending within the resources available or additional funding is received.

6.2 The allocation methodology agreed by Schools Forum aims to promote effective financial management, fairness and equity in funding allocations. It will also, based on current estimates, to ensure that the DSG deficit is removed by the end of 2023/34 in line with the requirements of the DfE. This is therefore an appropriate approach to ensuring the financial sustainability of the DSG.

#### 7 Legal Services Comments

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

#### 8 Co-operative Agenda

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

#### 9 Human Resources Comments

9.1 There are no specific comments.

#### 10 Risk Assessments

10.1 The key risks to the proposed allocation arrangement are the failure of the Schools Forum to agree to the movement of funds to the Schools Block and the failure of the Secretary of State to agree the funding movement if it is not agreed by Schools Forum. A revised approach will be required in this event.

#### 11 IT Implications

11.1 There are no specific comments.

#### 12 Property Implications

12.1 There are no specific comments.

#### 13 Procurement Implications

13.1 There are no specific comments.

#### 14 Environmental and Health & Safety Implications

14.1 None

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

15.1 There are no specific comments.

#### 16 Equality Impact Assessment Completed?

- 16.1 Not required
- 17 Key Decision
- 17.1 Yes
- 18 Key Decision Reference
- 18.1 ED-06-21
- 19 Background Papers
- 19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100 (1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:
  - File Ref: Background Papers are contained in Appendices 1 and 2 together with the Schools Funding Consultation 2022/23 and Schools Forum Meeting Papers 17 November 2021 (links below)

https://www.oldham.gov.uk/downloads/file/5855/school\_funding\_consultation\_ n\_202021

https://www.oldham.gov.uk/downloads/file/6656/schools\_forum\_18112020

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#### 20 Appendices

20.1 Appendix 1 – 2022/23 Schools Block Formula Modelling

Appendix 2 – Growth Funding 2022/23

				PROPOS	SED MODEL			
DFE NO	SCHOOL	Pupil Numbers (as per 2021/22 budgets)	Budget 2021/22	2022/23 indicative budgets NO ACA (using 2021/22 pupil numbers)	Change from 2021/22	Change from 2021/22	2022/23 indicative budgets with 1.005 ACA (using 2021/22 pupil numbers)	Change from 2021/22
		No's	£	£	£	%	£	£
2000	Alexandra Park Junior	349	1,744,553	1,782,582	38,029	2.18%	1,791,317	46,764
2007	Richmond Primary	376	1,837,443	1,871,725	34,282	1.87%	1,876,320	38,877
2002	Beever Primary	206	1,152,388	1,180,260	27,872	2.42%	1,186,058	33,670
2008	Freehold Community	417	1,985,054	2,034,077	49,023	2.47%	2,044,201	59,147
2010	Greenacres	215	1,036,123	1,059,164	23,041	2.22%	1,064,443	28,320
2018	Lyndhurst Primary	421	1,865,463	1,911,536	46,073	2.47%	1,921,034	55,571
2017	Limeside Primary	381	1,813,051	1,857,632	44,581	2.46%	1,866,904	53,853
2022	Roundthorn Primary	217	1,063,486	1,084,979	21,493	2.02%	1,090,376	
2020	Woodlands	290	1,405,932	1,431,587	25,655	1.82%	1,431,575	
2033	Limehurst Primary	287	1,488,616	1,524,158	35,542	2.39%	1,531,579	42,963
2034	Mayfield	237	1,180,572	1,209,855	29,283	2.48%	1,215,886	
2044	Littlemoor Primary	285	1,476,780	1,512,311	35,531	2.41%	1,519,758	
2047	Glodwick Infant and Nursery	262	1,377,835	1,411,743	33,908	2.46%	1,418,731	40,896
2052	Mills Hill Primary	621	2,639,551	2,692,336	52,785	2.00%	2,692,336	
2054	Mather Street Primary	179	989,294	1,012,531	23,237	2.35%	1,017,445	
2058	Blackshaw Lane Primary	210	963,052	986,184	23,132	2.40%	990,953	27,901
2062	South Failsworth Primary	408	1,736,291	1,770,971	34,680	2.00%	1,770,971	34,680
2064	Whitegate End Primary	211	963,770	980,223	16,453	1.71%	980,211	16,441
2065	Rushcroft Primary	180	881,963	896,798	14,835	1.68%	896,786	
2069	Fir Bank	207	915,088	930,668	15,580	1.70%	930,656	1
2071	Propps Hall	204	995,112	1,019,208	24,096	2.42%	1,024,193	
2075	Diggle	175	759,325	777,791	18,466	2.43%	781,590	
2076	Friezland Primary	103	518,057	525,832	7,775	1.50%	525,820	
2077	Greenfield	229	983,844	1,003,309	19,465	1.98%	1,003,309	19,465
2078	Springhead Infant	223	999,546	1,023,765	24,219	2.42%	1,028,791	29,245
2079	Delph Primary	194	826,468	842,958	16,490	2.00%	842,958	16,490
2080	Knowsley Junior	317	1,363,148	1,396,352	33,204	2.44%	1,403,200	40,052

Page 77

				PROPOS	SED MODEL	_		
DFE NO	SCHOOL	Pupil Numbers (as per 2021/22 budgets)	Budget 2021/22	2022/23 indicative budgets NO ACA (using 2021/22 pupil numbers)	Change from 2021/22	Change from 2021/22	2022/23 indicative budgets with 1.005 ACA (using 2021/22 pupil numbers)	Change from 2021/22
		No's	£	£	£	%	£	£
2085	Buckstones	206	875,600	893,110	17,510	2.00%	895,803	20,203
2091	Beal Vale Primary	197	946,215	969,326	23,111	2.44%	974,153	27,938
2093	Thorp	205	887,487	909,404	21,917	2.47%	913,934	26,447
	Willowpark	198	1,075,351	1,094,401	19,050	1.77%	1,094,389	19,038
2095	Broadfield	330	1,568,919	1,607,867	38,948	2.48%	1,615,873	46,954
	Greenhill	425	1,977,807	2,014,860	37,053	1.87%	2,014,848	37,041
, ,	Horton Mill Primary	211	1,114,667	1,141,862	27,195	2.44%	1,147,437	32,770
	Burnley Brow Community	420	2,094,166	2,144,486	50,320	2.40%	2,154,946	60,780
	Alt Primary	299	1,518,290	1,555,143	36,853	2.43%	1,562,900	44,610
	Westwood	197	1,036,907	1,062,613	25,706	2.48%	1,067,916	31,009
2109	Stanley Road Primary	397	1,954,145	1,995,975	41,830	2.14%	2,005,752	51,607
	Crompton Primary	203	922,615	944,887	22,272	2.41%	949,491	26,876
	Medlock Valley Community	297	1,500,012	1,536,650	36,638	2.44%	1,544,297	44,285
2025	Clarksfield Primary	423	2,021,612	2,071,466	49,854	2.47%	2,081,800	60,188
2113	Yew Tree Community	605	2,739,732	2,806,375	66,643	2.43%	2,820,233	80,501
	Woodhouses	137	634,629	650,069	15,440	2.43%	653,261	18,632
	St Annes CE Lydgate	205	859,632	877,094	17,462	2.03%	877,094	17,462
	St Chad's CE Saddleworth	295	1,237,184	1,262,315	25,131	2.03%	1,262,315	25,131
	Holy Trinity Dobcross	210	904,695	922,545	17,850	1.97%	922,545	17,850
3010	Thornham St James' CE	207	881,579	899,174	17,595	2.00%	899,174	17,595
3011	Christ Church Denshaw	97	525,267	533,277	8,010	1.52%	533,265	7,998
	Hey With Zion	271	1,153,596	1,176,631	23,035	2.00%	1,176,631	23,035
	St. Thomas Moorside CE	204	1,051,224	1,076,894	25,670	2.44%	1,082,261	31,037
3315	St Thomas CE Werneth	411	1,968,783	2,017,204	48,421	2.46%	2,027,254	58,471
3325	St Hugh's CE Primary	197	1,083,992	1,110,618	26,626	2.46%	1,116,158	32,166
	St Agnes CE	104	550,196	563,730	13,534	2.46%	566,542	16,346
	Holy Rosary RC Primary	201	998,834	1,023,385	24,551	2.46%	1,028,485	29,651
3329	St Hilda's CofE Primary	352	1,774,317	1,810,624	36,307	2.05%	1,819,649	45,332

⊃age 78

				PROPOS	SED MODEL	_		
DFE NO	SCHOOL	Pupil Numbers (as per 2021/22 budgets)	Budget 2021/22	2022/23 indicative budgets NO ACA (using 2021/22 pupil numbers)	Change from 2021/22	Change from 2021/22	2022/23 indicative budgets with 1.005 ACA (using 2021/22 pupil numbers)	Change from 2021/22
		No's	£	£	£	%	£	£
3330	St Martin's CE Primary	230	1,182,377	1,203,491	21,114	1.79%	1,204,943	22,566
3333	St Margaret's C.E.	294	1,445,006	1,480,616	35,610	2.46%	1,487,988	42,982
3341	Christ Church Primary Chadderton	280	1,260,178	1,290,941	30,763	2.44%	1,297,379	37,201
3342	St Luke's CE Primary	202	1,023,878	1,048,950	25,072	2.45%	1,054,176	30,298
3344	St Matthew's	402	1,737,321	1,771,491	34,170	1.97%	1,771,491	34,170
3345	East Crompton St James CE	202	929,744	952,607	22,863	2.46%	957,356	27,612
3346	St Mary's CE High Crompton	209	878,070	899,940	21,870	2.49%	904,425	26,355
2024	St Johns Primary	271	1,246,573	1,276,255	29,682	2.38%	1,282,361	35,788
3351	St Thomas CE Leesfield	202	928,073	950,856	22,783	2.45%	955,597	27,524
3353	St. Anne's CE Primary	274	1,190,595	1,219,981	29,386	2.47%	1,226,062	35,467
3355	East Crompton St Georges CE	216	977,045	994,133	17,088	1.75%	996,229	19,184
3358	Corpus Christi RC Primary	308	1,408,948	1,443,750	34,802	2.47%	1,450,945	41,997
3359	St Joseph's RC Primary	211	898,281	920,612	22,331	2.49%	925,193	26,912
3362	St Edwards RC Primary	248	1,066,850	1,093,148	26,298	2.46%	1,098,585	31,735
3363	SS Aidan & Oswald's RC Primary	342	1,477,982	1,504,951	26,969	1.82%	1,504,939	26,957
3364	St Herbert's RC	307	1,294,133	1,326,008	31,875	2.46%	1,332,616	38,483
3366	Greenfield St Mary's CE	205	859,932	877,357	17,425	2.03%	877,357	17,425
3400	Holy Family RC	178	926,725	949,494	22,769	2.46%	954,225	27,500
3401	St Anne's RC	211	1,051,040	1,076,796	25,756	2.45%	1,082,160	31,120
3402	St Patrick's RC	201	1,035,652	1,061,085	25,433	2.46%	1,066,371	30,719
3403	St Mary's RC Primary	410	1,720,919	1,755,769	34,850	2.03%	1,764,008	43,089
3503	St Paul's CE Primary	212	964,318	988,116	23,798	2.47%	993,033	28,715
3504	Higher Failsworth Primary	387	1,722,166	1,757,520	35,354	2.05%	1,766,163	43,997
2009	Coppice Primary	480	2,179,871	2,233,373	53,502	2.45%	2,244,486	64,615
3506	Bare Trees Primary	596	2,970,220	3,042,100	71,880	2.42%	3,057,007	86,787
3507	Royton Hall Primary	328	1,464,027	1,498,581	34,554	2.36%	1,505,736	41,709
3508	Werneth Primary	392	1,849,053	1,894,794	45,741	2.47%	1,904,224	55,171
3393	Holy Cross C.E.V.A. Primary	411	2,122,257	2,174,815	52,558	2.48%	2,185,660	63,403

⊃age 79

				ſ	PROPOS	SED MODEL	-	11		
DFE NO	SCHOOL	Pupil Numbers (as per 2021/22 budgets)	Budget 2021/22		2022/23 indicative budgets NO ACA (using 2021/22 pupil numbers)	Change from 2021/22	Change from 2021/22		2022/23 indicative budgets with 1.005 ACA (using 2021/22 pupil numbers)	Change from 2021/22
		No's	£		£	£	%		£	£
3509	Hodge Clough Primary	414	1,856,941	Ī	1,900,427	43,486	2.34%	ľ	1,909,459	52,518
2003	St Theresa's RC Primary	185	981,147		1,005,197	24,050	2.45%		1,010,208	29,061
2016	Northmoor Academy	452	2,368,714		2,416,110	47,396	2.00%		2,428,124	59,410
	TOTAL PRIMARY	24,168	113,837,294		116,411,787	2,574,493	2.26%		116,854,313	3,017,019
4011	The Hathershaw College	1,070	6,660,064		6,823,319	163,255	2.45%		6,857,314	197,250
4010	Royton & Crompton	1,112	6,937,762		7,107,971	170,209	2.45%		7,143,396	205,634
4006	Failsworth	1,457	9,879,565		10,096,442	216,877	2.20%		10,141,489	261,924
4026	Saddleworth	1,378	7,508,541		7,660,121	151,580	2.02%		7,695,884	187,343
4027	North Chadderton	1,356	7,638,628		7,829,244	190,616	2.50%		7,868,150	229,522
4028	The Radclyffe	1,493	10,150,562		10,372,511	221,949	2.19%		10,418,924	268,362
4600	The Blue Coat	1,303	7,090,081		7,233,881	143,800	2.03%		7,233,881	143,800
4605	Crompton House	1,353	7,353,287		7,502,484	149,197	2.03%		7,502,484	149,197
4608	Blessed John Henry Newman College	1,503	9,433,295		9,652,645	219,350	2.33%		9,698,368	265,073
4004	Waterhead Academy	1,378	8,868,914		9,089,389	220,475	2.49%		9,134,597	265,683
6905	Oasis Academy Oldham	1,447	9,353,743		9,586,260	232,517	2.49%		9,633,936	280,193
6906	The Oldham Academy North	1,327	8,838,489		9,012,501	174,012	1.97%		9,012,489	174,000
4008	Oasis Leesbrook Free School	587	3,857,416	].	3,951,903	94,487	2.45%		3,971,539	114,123
	TOTAL SECONDARY	16,764	103,570,347		105,918,670	2,348,323	2.27%	i	106,312,451	2,742,104
	TOTAL ALL SCHOOLS	40,932	217,407,641	ŀ	222,330,458	4,922,817	2.26%	Į.	223,166,764	5,759,123
	TOTAL ALL SUITOULS	40,332	217,407,041	l.	222,330,430	+,322,017	2.20/0		223,100,704	J,1 J3,123

age 80

# **Growth Funding**

The total amount allocated to the Growth Fund within the Schools Block is estimated at £1.351m. Of this amount, £0.809m is explicit growth for schools where it has been already been agreed with the LA that there will be an increase in the planned admission numbers (PAN) by means of the provision of a school extension. The remaining Growth Fund is available within the Schools Block for allocation to schools and will go towards the implicit cost of growth for Oasis Leesbrook and Brian Clarke Academy.

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

School	Additional Places	Cost 2022/23	Cost 2023/24
	Flaces	<b>(£)</b>	(£)
Saddleworth School	10	26,460	0
Saddleworth School	20	52,920	52,920
Greenfield School	30	56,298	56,298
Crompton House	112	296,352	296,352
Oldham Academy North	60	158,760	158,760
North Chadderton	30	79,380	79,380
Clarksfield	30	56,298	56,298
Mayfield	30	56,298	56,298
Bluecoat Free School included in formula	0	0	0
Oasis Leesbrook included in formula	0	0	0
Failsworth	10	26,460	26,460
Allocated Growth Total	332	809,226	782,766
Unallocated Growth including estimated growth c/fwd from 2021/22 ***		1,196.974	0
TOTAL Estimated Additional Place/Cost Already Allocated	332	2,006,200	782,766

<sup>\*\*\*</sup> Note this is included within the £2.006mm available for allocation within the Model





#### **Report to CABINET**

Approval of Heads of Terms for a lease agreement with the SofS and free school trust for the former North Chadderton Lower School site, Oldham, OL9 0JY (Asset L00183)

#### Portfolio Holder:

Cllr Arooj Shah, Leader and Cabinet Member for Economic and Social Reform; Cllr Shaid Mushtag (Cabinet Member of Education and Skills);

#### Officer Contact:

Emma Barton, Director of Economy

Report Author: Andrew Hall, Principal Regeneration Officer

Ext. 3456

13 December 2021

#### **Reason for Decision**

The purpose of the report is to seek approval to the Heads of Terms attached to this report, which will trigger the Department for Education (DfE) to undertake feasibility and site investigations on the above site.

#### Recommendations

It is recommended that the Council proceed;

- To delegate final authority to the Director of Economy to enter into an agreement with the DfE for the long-lease of the asset.
- Authorise the Director of Legal Services or his nominated representative to sign and/or affix the Common Seal of the Council to any documents required to give effect to these recommendations.

Cabinet [13 December 2021]

Approval of Heads of Terms for a lease agreement with the SofS and free school trust for the former North Chadderton Lower School site, Oldham, OL9 0JY, Asset L00183

#### 1 Background

- 1.1 The asset comprises the site of the former North Chadderton Lower School; together with an adjoining area of landscaped land. The site can be accessed off junction 21 of the M60 and is located fronting Broadway; close to the A627M. The facilities formerly provided by the school have been replaced on the North Chadderton Upper School site, and consequently the lower school site is cleared and surplus to the Council's requirements.
- 1.2 The site is surrounded by Chadderton Cemetery to the west; areas of open space to the north and south, and the fire station to the east; across Broadway. In 2017, the Council, in accordance with statutory procedures, advertised its intention to dispose of the public open space at the south of the school site (formerly asset L00701 and now incorporated within L00183). One objection was received from the Ramblers Association, but formal Council approval was given for the disposal of the whole site in November 2017.
- 1.3 Since then, the site has been considered for the development of a new primary school for Chadderton. The Council received confirmation on the 5th February 2021, that the Secretary of State for Education (SofS), had decided that the application made for 'Chadderton Primary Academy: Mainstream, non-faith mixed primary school with nursery provision in Oldham' at this site should proceed to the next stage of the process, the preopening phase. It is proposed that this land will be the permanent site for a new free school, Chadderton Primary Academy.

#### 2 Current Position

- 2.1 The Heads of Terms (See Appendix 1) for the new school site have been provisionally agreed and now need to be approved. They are between the Council, The Harmony Trust Ltd and the Secretary of State for Education.
- 2.2 In approving the Heads of Terms Oldham Borough Council agree to enter into an Agreement for Lease with the SofS. Oldham will grant a 125 year peppercorn lease of the school site to the free school trust or other party (at the direction of the SofS) on satisfaction of the conditions precedent set out in para 19 of the heads of terms.
- 2.3 The lease will be granted before the main construction works begin. The intention is that the SofS will procure the construction works on the site. Following completion of these works, the free school trust will occupy and operate its school from this site in accordance with the terms of the lease.

#### 3 Options/Alternatives

3.1 Option 1 - The Council could choose to do nothing and not approve the Heads of Terms. The Council would not benefit from a new primary school to be paid for by the DfE. The Council would need to pay for a new school to be able to accommodate the primary school places.

3.2 Option 2 - Approve the Heads of Terms. This option will provide the borough with a new primary school, paid for by the DfE, and meet the need for additional school places.

#### 4 Preferred Option

- 4.1 Option 2 Approve the Heads of Terms. This option will provide the borough with a new primary school, paid for by the DfE, and meet the need for additional school places. Given. The detailed heads of terms are set out in Appendix One.
- 5 Consultation
- 5.1 None.
- 6 Financial Implications
- 6.1 As set out in Part B of this report.
- 6.2 As set out in Part B of this report.
- 7 Legal Services Comments
- 7.1 As set out in Part B of this report
- 8. Co-operative Agenda
- 8.1 The Council are seeking to work co-operatively with the Harmony Trust for a new free school, Chadderton Primary Academy. The school will help to satisfy the demand for primary school places within the Borough.
- 9 Education and Early Years Comments
- 9.1 The SCAP survey submitted to the Department of Education this Summer suggests that demand will outweigh the number of places in the Chadderton area by the time the 2024 Reception cohort is in Year 1. We feel the forecasts strengthen the need for more provision in the area both to support the LA's statutory duties around school places but to also provide more choice and local schooling for families in the area. The LA's preferred option for the new school is a 1FE primary with resourced provision alongside that. This will help support other local schools sustainability whilst also increasing provision for local SEND pupils. The school should be built in a way to allow easy expansion in the future should additional demand be created by further housing
- 9.2 In addition, failure to secure a new school in Wave 14 will mean that the only option available to the Local Authority would be to seek to open a new primary school via the 'academy presumption' route. This would incur significant costs (around £12Million) for which there would be insufficient basic needs funding. The 'academy presumption' route also requires the LA to 'front fund' the school which would bring additional financial pressures to the DSG (Dedicated School Grant).

[Andy Collinge, Head of Education Support Services]

10 **Property Implications** 

10.1 Contained within this report (Andrew Hall) 11 **Procurement Implications** 11.1 There appear no direct procurement matters - the Department for Education (DfE) will undertake feasibility and site investigations. Any works will be procured by a separate entity. 12 **Risk Assessments** 12.1 N/A 13 **Environmental and Health & Safety Implications** 13.1 None. 14 Equality, community cohesion and crime implications 14.1 If implemented, the proposals would seek to deliver a new primary academy school in Chadderton, whilst also increasing provision for local SEND pupils. 15 **Equality Impact Assessment Completed?** 15.1 No. 16 **Key Decision** 16.1 Yes 17 **Key Decision Reference** 17.1 ESR-07-21. 18 **Background Papers** 18.1 None. 19 **Appendices** 19.1 Appendix One – Heads of terms. As set out in Part B of this report



# **Report to CABINET**

# Land at Salmon Fields, Royton, Oldham

#### **Portfolio Holder:**

Councillor Arooj Shah (Leader) – Cabinet Member for Economic and Social Reform.

**Senior Responsible Officer:** Deputy Chief Executive – People and Place

Officer Contact: Emma Barton, Director of Economy

**Report Author:** Liz Garsrud, Principal Surveyor, Strategic Property Partnerships.

13th December 2021

# Reason for Decision

The purpose of the report is to approve the grant of a 50-year lease of land at Salmon Fields, Royton to the Northern Care Alliance NHS Group for use as a Community Diagnostic and Healthcare Facility.

#### **Recommendations:**

It is recommended that Cabinet: -

- 1. Approve the recommendation for the grant of a 50-year lease of the land at Salmon Fields, Royton to the Northern Care Alliance NHS Group for use as a Community Diagnostic and Healthcare Facility.
- 2. Authorise the Director of Legal Services or their nominated representative to complete and execute the legal agreements and any ancillary documentation relating to the disposal of the site, on behalf of the Council.

Cabinet − Part A 13<sup>TH</sup> December 2021

Land at Salmon Fields, Royton, Oldham

#### 1 Background

- 1.1 **Creating a Better Place**' incorporates significant programmes of work that have been progressed over the past eighteen months in order to set out a comprehensive vision and strategic framework for the borough. These include the:
  - Updated vision for Oldham Town Centre;
  - Housing Strategy 2019; and
  - Updated Medium Term Property Strategy.

**Creating a Better Place** focuses on building more homes for our residents, creating new jobs through town centre regeneration, and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go.

This approach has the potential to deliver 2,000 new homes in the town centre designed for a range of different budgets and needs, 1,000 new jobs and 100 new opportunities for apprenticeships, and is in alignment with Council priorities to be the Greenest Borough.

Oldham Council is ambitious and bold, and it is on the cusp of an exciting programme of significant change, which is essential to achieve its wider objectives including health, education and improved transport connectivity and public realm. Corporate land and property assets are critical to this agenda and therefore the previously approved Medium-Term Property Strategy (MTPS) has been refreshed to ensure it meets the scale of the change required.

At a strategic level, the work completed across the last eighteen months has confirmed that the property portfolio can be a catalyst for building new homes, creating job opportunities, re-skilling residents through new apprenticeship opportunities, and re-engaging communities and partners through property / estate co-location and collaboration. This strategic work also supports the Council's ambitions for inclusive growth, thriving communities and co-operative services.

Delivery of the ambitious programmes of work within 'Creating a Better Place' requires efficient and effective systems and processes in place. Significant work has already taken place during 2019 to ensure the right resources are in place for robust, fit for purpose governance and effective delivery. Changes to the Council's Land and Property protocols are also proposed to further strengthen this.

#### 2 Current Position

- In January 2021 the Northern Care Alliance NHS Group (NCA) appointed consultants to determine the preferred site for a new Community Diagnostics Hub in the Oldham area.
- 2.2 The Community Diagnostics Hub (CDH) will provide radiology services in a community setting.
- 2.3 The precise nature of the scanning services is yet to be confirmed, however, it could include MRI, PET CT, X-Ray, Mammography and Ultrasound.
- 2.4 The NCA have requested that the site be flexible to accommodate the future expansion of services.

- 2.5 The preferred site for the CDH is the former industrial site at Salmon Fields in Royton.
- 2.6 The total site area is 5.69 Acres (2.30 Hectares).
- 2.7 The NCA intend to spend funds on improving the ground conditions and providing an improved access into the site from Salmon Fields Road.
- 2.8 The site is considered suitable for a range of industrial and commercial uses and discussions have taken place with planning officers regarding use of the site for a CDH.
- 2.9 A planning application has been submitted for the first phase of the CDH.

#### 3 Options/Alternatives

3.1 **Option One** - Grant the NCA a 50-year lease of the land at Salmon Fields, Royton.

#### 3.2 Advantages

The tenant is of good covenant strength.

The site may generate business rate income.

A Community Diagnostic and Healthcare Facility would be of great benefit to the local community as it would enable the NHS to cut the waiting times for scans etc and enable easier access to these services for residents.

3.3 **Option Two** - Do not grant the NCA a 50-year lease of the land at Salmon Fields, Royton

#### 3.4 Disadvantages

Residents would not get the health and well-being benefits of having a local diagnostics and healthcare facility in the area.

3.5 **Option Three** – Do nothing.

#### 3.6 Advantages

None.

#### 3.7 **Disadvantages**

If the CDH could not be provided on another site in the area, Oldham may not get the local diagnostics and healthcare facility.

#### 4 Preferred Option

#### 4.1 Option One

Grant the NCA a 50-year lease of the land at Salmon Fields, Royton.

#### 5 Consultation

5.1 Corporate Property Board and relevant Portfolio Holders.

### 8. Co-operative Agenda

8.1 The Council is working co-operatively with the NHS to provide a suitable site for a new Community Diagnostic and Healthcare Facility which when operational should improve the health outcomes for residents.

#### 9 Human Resources Comments

9.1 None.

## 11 IT Implications

11.1 None.

# 12 Property Implications

12.1 The property implications are contained within the body of the report.

# 14 Environmental and Health & Safety Implications

14.1 None.

### 15 Equality, community cohesion and crime implications

15.1 None.

#### 16 Equality Impact Assessment Completed?

16.1 No.

#### 17 Key Decision

17.1 Yes

#### 18 Key Decision Reference

18.1 ESR-08-21.

#### 19 Background Papers

19.1 None.



# **Report to CABINET**

# Oldham Performance Space: Design Team appointment

# Portfolio Holder:

Councillor Arooj Shah, Leader of the Council and Portfolio Holder for Economic and Social Reform

Councillor Abdul Jabbar, Deputy Leader of the Council and Portfolio Holder for Finance and Low Carbon

Councillor Shaid Mushtaq, Cabinet Portfolio Holder for Education, Skills and Culture

Officer Contact(s): Katrina Stephens, Director of Public Health Emma Barton, Director of Economy

13th December 2021

#### **Reason for Decision**

To provide a decision on the appointment of an Architect led multi-disciplinary design team for Oldham Performance Space for the next steps in design development for the Oldham Performance Space project; and authorize further delegation(s) for the appointment of external advisors (for the provision of professional services), in the required configuration, to support the Council in delivery of the project

#### **Executive Summary**

The Council completed the feasibility exercise for a new theatre and performance space, based within a redeveloped Old Post Office and former Quaker Meeting House at 84 Union Street and have been successful in obtaining a Towns Fund grant towards the capital project. This funding is subject to successfully completing Phase 2 of the Towns Fund process and submitting a project (full) business case by June 2022.

In order to progress into the next phase of the project development, the Council will need to commission a multi-disciplinary design team to develop the design through RIBA stages 2 and 3 and submission of the Planning and Listed Building Consent applications.

A fully compliant mini competition tender process has been carried out which will enable the next phase of design to commence in October 2021.

Further professional service contracts will be required for cost consultancy, project management and net zero carbon advice, to support delivery.

#### Recommendations

Cabinet is recommended to:

- 1. Authorise formal agreement and award of the contract for professional services for an Architect led multi-disciplinary design team.
- 2. Delegates approval to the Cabinet Member for Economic and Social Reform in consultation with the Director of Economy, the Director of Legal Services, the Director of Finance (or their nominees), and the Cabinet Member for Finance, to appoint external advisors (for the provision of professional services), in the required configuration, to support the Council in delivery of the project to meet the information requirements and timescales set by the Towns Fund process.
- 3. Authorises 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.

Cabinet 13<sup>th</sup> December 2021

#### **Oldham Performance Space: Design Team appointment**

#### 1 Background

- 1.1 In August 2020 the Council's advisors submitted the RIBA stage 1 feasibility and feasibility cost plan for a new performance venue for Oldham town centre. The Oldham Making Space for Live Performance Feasibility report and Making Space Vision provided the basis for the application for a Towns Fund grant.
- 1.2 The Town Investment Plan supporting the Towns Fund bid included a cost estimate of £20m for the delivery of the project.
- 1.3 In June 2021, the Government announced that Oldham Council had secured £24.4m from the Towns Fund for four approved projects. The Heads of Terms document that followed confirmed the funding envelope being offered.
- 1.4 The grant application described how Making Space for Live Performance will provide a new flexible performance space in the town centre for use by local arts and culture providers, including a new home for the Oldham Coliseum Theatre. Based within a redeveloped Old Post Office and former Quaker Meeting House at 84 Union Street, which will both be retained as part of the project, it will provide additional creative arts and performance spaces that meet modern requirements. It will play a significant role in post-Covid-19 recovery.
- 1.5 The new performance space in Oldham's Cultural Quarter will target a net-zero carbon home for the arts and to widen audiences and creative practice, offer training and employment opportunities to local people, and enhance socio-economic profile of the town centre. The vision is to enhance and enrich the lives and life chances of the people of Oldham and to inspire a new generation of artists while serving an audience market in Oldham, GM and West Yorkshire. Sustainability aspirations include options in consideration of the Council's commitment to be carbon neutral as an organisation by 2025. The Council have an aspiration for this development to achieve net-zero carbon in both construction and operational terms, following the definition set out by the UK Green Building Council.
- 1.6 In August 2021 Cabinet approved £6.133m allocated toward the Performance Space from the Towns Fund grant award; with the remainder of the project estimate provided by Council resources and match funding.
- 1.7 The Towns Fund grant funding is subject to successfully completing Phase 2 of the Towns Fund process, comprising detailed project development and business case assurance at the local level; the funding offer is subject to Government approval of

- project (full) business cases to be developed over 12 months from receipt of Heads of Terms in June 2021.
- 1.8 In August 2021 officers commenced a procurement exercise for the appointment of an architect led multi-disciplinary design team

#### 2 Current Position

2.1 To deliver on the next stages of project development, the Council needs to progress the Towns Fund business case. To meet the Towns Fund timescales and funding requirements, the Council will also need to commission a multi-disciplinary design team to progress the design through RIBA stages 2 and 3. This will allow the required design and costing information to be available for the Towns Fund (full) business case submission in May 2022.

#### 3 Options/Alternatives

- 3.1 Option 1 proceed to the next stage of project development (enter into contract at the earliest opportunity)
- 3.1.1 The timescales required by the Towns Fund process are challenging for a complex project such as a state-of-the-art theatre, inserted into grade II listed building(s). To meet the deadlines for the Towns Fund business case submission, the Council have notified the successful organization, and entered into a limited scope of service allowing sufficient notice for mobilization of the team.
- 3.1.2 A fully compliant mini competition tender process has been carried out using the Bloom framework (section 13 Procurement Implications). The lead consultant will act as multi-disciplinary lead for the flowing consultants:
  - Acoustic
  - Interior design
  - Fire
  - Landscape design
  - MEP
  - Planning
  - Principle Designer
  - Structures and Civils
  - Sustainability
  - Theatre Specialist (technical)
- 3.1.3 The lead consultant will be responsible for the co-ordination of the design of the Project and for the appointment, coordination, management, and programming of the activities of the Design Team.
- 3.1.4 At the end of RIBA stage 2 an outline business case will be undertaken as part of the process for securing the Towns Fund grant. Further analysis will then be undertaken at the end of RIBA stage 3 before final submission to Government of the Final Business Case (Towns Fund).

#### 3.2 Option 2 – Do not appoint the Performance Space design team.

- 3.2.1 Should the Council decide not to appoint the design team, the Towns Fund critical path milestones (Full Business Case) by May 2022, necessary to meet the funding deliverables, would not be achievable. If the Council does not proceed with the appointment, to progress the design, in accordance with the programme milestones, the risk that the Towns Fund grant would be withdrawn for this project would be significant.
- 3.2.2 This option would put the project on hold and require an exercise in engagement and communications with the Coliseum Theatre and wider stakeholders (eg ACE) to mitigate reputational damage and work towards an understanding of an alternative approach to performance and theatre productions in the Town Centre.

#### 4 Preferred Option

#### 4.1 Option 1 – proceed as planned

Implement the outcome of the procurement process and award the contract for professional services for an Architect led multi-disciplinary design team. This option provides the Council with the optimum cost and quality services, providing the most commercially advantageous solution to deliver on the Council's ambitions for the next stage of design development.

#### 5 Consultation

- 5.1 Extensive consultation has taken place over the last 48 months through the development of the Towns Fund application process.
- 5.2 Consultation and engagement work took place with stakeholders, partners, Council teams and services, elected members, public sector organisations and different voices from our local communities to help define the ambitions for the new theatre.
- 5.3 Portfolio Holders have been consulted on the Performance Space feasibility, and both staff and elected members have been engaged throughout this process to allow ideas and suggestions to be fed into the preferred solutions.
- 5.4 Project consultation will take place at the applicable time in conjunction with standard practice for project development / planning application considerations.
- 5.5 Further consultation and engagement will continue through the Council's Big Conversation about the town centre which went live on 18 October 2021

#### 6 Financial Implications

6.1 Finance implications are covered in Part B of the report.

#### 7 Legal Comments

7.1 Legal implications are covered in Part B of the report.

#### 8 Co-operative Agenda

8.1 The acceptance of the Towns Fund grant award to deliver four projects in Oldham town centre supports the Co-operative Agenda by achieving outcomes that contribute to making Oldham a place to invest and do business, and a regenerated town which grows the business base.

#### 9 Human Resources Comments

9.1 n/a

#### 10 Risk and Assurance

10.1 Risk implications are covered in Part B of the report.

#### 11 IT Implications

11.1 IT implications are covered in Part B of the report.

#### 12 **Property Implications**

12.1 Property implications are covered in Part B of the report.

#### 13 **Procurement Implications**

13.1 Procurement implications are covered in Part B of the report.

#### 14 Environmental and Health & Safety Implications

14.1 Environmental and Health and Safety implications are covered in Part B of the report.

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

15.1 There has been a detailed stage one Equality Impact Assessment completed for the Creating a Better Place programme. Colleagues in Policy have reviewed this document and have given feedback and some suggested additions and elements to explore.

### 16 Equality Impact Assessment Completed?

- 16.1 Yes
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 ESR-05-21
- 19 **Background Papers**
- 19.1 None





# **Report to CABINET**

# Approval to delegate the decision to award CSC integrated commissioning services contract from 1<sup>st</sup> April 2022

#### **Portfolio Holder:**

Cllr Eddie Moores Cabinet Member for Children and Young People

Officer Contact: Richard Lynch - Director of Education, Skills &

Early Years

Report Author: Shirley Woods - Gallagher AD Commissioning

Nick Whitbread AD Corporate Parenting

Date of decision 13th December 2021

#### **Reason for Decision**

To ensure statutory services continue to be delivered from 1<sup>st</sup> April 2022 following a full and robust procurement and commissioning process.

#### Recommendations

Approval is given to authorise a delegated decision to be made by the Managing Director, Children and Young People, Gerard Jones to award the contract for CSC services to be operational from 1 April 2022. This would be subject to a robust evaluation process following on from an open, transparent commissioning and procurement exercise which commenced via The Chest on 18 October 2021 following 'meet the market' event.

This would enable Oldham to continue to provide high quality integrated statutory services from 1 April 2022 for an initial period of five years up until 31 March 2027 with an option to extend for a maximum of up to two years dependent on performance, achievement of Key Performance Indicators, continued funding and local need.

Accepting this recommendation would guarantee a significant level of service continuity and ensure statutory responsibilities continue to be met thus reducing risk to the Council.

# Approval to delegate the decision to award CSC integrated commissioning services contract from 1<sup>st</sup> April 2022

#### 1 Background

Oldham Council is seeking to commission a comprehensive, fully integrated children and young people's offer covering a range of CSC services to be awarded as one distinct contract. This will enable children, young people and families/carers to access high-quality information, advice and support across a range of services. It will also enable Oldham Council to continue to fulfil its statutory responsibilities.

A range of SEND and CSC services are currently out to tender via The Chest as part of our integrated commissioning approach. This report is seeking approval from Cabinet to authorise a delegated decision to be made by the Managing Director Children and Young People, Gerard Jones, to award the contract for the delivery of CSC services within scope of this report to be operational from 1 April 2022.

Decision to award will be via a robust evaluation process following on from an open, transparent commissioning and procurement exercise which commenced via The Chest on 18 October 2021. This followed a Meet the Market event held in August 2021 and feedback from young people and parent/carers to further develop service specifications. A Project Board has been in place meeting fortnightly including service area experts, commissioning, legal, procurement and finance colleagues. The Project Board has ensured progress is maintained, provided due diligence and has overseen development of all procurement documents including service specifications. The Project Board will continue to support evaluations of tenders, award recommendations and implementation planning to ensure Oldham continues to provide statutory high-quality services for our most vulnerable children, young people and families/carers.

Contract award will be from 1 April 2022 for an initial period of five years up until 31 March 2027 with an option to extend for up to a maximum of two years based on performance, achievement of key performance indicators, continued funding and local need. The services within scope and the annual funding envelope is as follows:

CSC covering Advocacy/Independent Visitors, Regulation 44 Visits and Mental Health Support for Children Looked after and their support network with a funding envelope of £149,000 per annum.

These services all provide support for some of the most vulnerable and at-risk children, young people and families/carers in Oldham.

An update report will be provided to the Portfolio Holder following award of contract.

#### 2 Current Position

2.1 The CSC services in scope are currently published as a live tender on the Chest. This became live on 18<sup>th</sup> October 2021 and will close on 25<sup>th</sup> November 2021. Following this the project board, including children and young people, will form an evaluation and moderation panel. The panel will recommend award of contract to the successful bidder. Procurement corporate rules will be followed in terms of stand-still and subsequent move to award. Services outlined above are currently delivered entirely independently by a variety of providers whose contracts all end on 31 March 2022. There is no provision to

further extend these contracts. The integrated approach seeks to bring services together with a more consistent and holistic approach to delivery therefore being better able to flexibly meet the current and emerging needs of our families/carers.

We are seeking one lead provider meaning management and other associated costs are not unnecessarily duplicated ensuring funding is maximised to support direct delivery.

A new service specification within the funding envelope outlined has been developed to enable delivery models to be in place which meet local, regional and national requirements and;

- meets the needs of service users
- has a flexible approach to meeting identified and emerging needs
- enables children and young people to fulfil their full potential and realise their aspirations
- reflects the lived experience of children, young people and families/carers in regard to their expectations
- considers learning arising from the Covid-19 pandemic in particular new models of delivery

In order to ensure enhanced integrated service delivery models are in place from 1 April 2022 a competitive commissioning and procurement exercise has been undertaken with a range of partners to co-produce a service specification. This has involved young people and parent/carers.

A Project Board has been formed to scrutinise and oversee the procurement exercise and support delivery of the work required to complete the procurement process. The Project Board is chaired by the AD Commissioning and Partnerships and consists of representation from the following partners; service area experts, commissioning, CCG, legal services, procurement and finance.

Prior to the commencement of the procurement exercise, existing service specifications were reviewed with service leads in line with changing priorities, legislation and local need, to ensure they reflected local, regional and national requirements.

Young people told us that they felt the range of services was appropriate but that they wanted easier access to services at times which suited them and their families/carers and through a stronger digital offer. Families and carers told us they wanted more choice and flexibility. This has been reflected in the revised service specifications.

Virtual Meet the Market engagement events were held during August 2022, both were attended by a range of organisations including the current providers of these services. Feedback from the event was positive and was also considered as part of the review of the services specifications.

An open tender exercise commenced on 18 October 2022 for both lots via The Chest.

Tender submissions will be evaluated by a panel consisting of the AD for Commissioning & Partnerships, Senior Commissioning and Partnerships Manager, Commissioning and Partnerships Manager, service area experts from CSC, young people trained as commissioners and parent/carers supported by Procurement.

#### 3 Options

#### Option 1

Approval is given to authorise a delegated decision to be made by the Managing Director, Children and Young People, Gerard Jones to award the contract to be operational from 1 April 2022. This would be subject to a robust evaluation process following on from an open, transparent commissioning and procurement exercise which commenced via The Chest on 18 October 2021 following 'meet the market' events.

This would enable Oldham to continue to provide high quality integrated statutory services from 1 April 2022 for an initial period of five years up until 31 March 2027 with an option to extend a maximum of up to two years dependent on performance, achievement of Key Performance Indicators, continued funding and local need.

Accepting this recommendation would guarantee a significant level of service continuity and ensure statutory responsibilities continue to be met thus reducing risk to the Council.

#### Option 2

The decision to award sits with Cabinet. Given timescales this would mean we will not be in a position to award and operationalise the implementation plan by 1 April 2022. There would be the risk of a gap in services for vulnerable young people within the District. There would also be a reputational risk to the Council

#### 4 Preferred Option

#### Option 1

Approval is given to authorise a delegated decision to be made by the Managing Director, Children and Young People, Gerard Jones to award the contract to be operational from 1 April 2022. This would be subject to a robust evaluation process following on from an open, transparent commissioning and procurement exercise which commenced via The Chest on 18 October 2021 following 'meet the market' events.

This would enable Oldham to continue to provide high quality integrated statutory services from 1 April 2022 for an initial period of five years up until 31 March 2027 with an option to extend a maximum of up to two years dependent on performance, achievement of Key Performance Indicators, continued funding and local need.

Accepting this recommendation would guarantee a significant level of service continuity and ensure statutory responsibilities continue to be met thus reducing risk to the Council.

#### 5 Consultation

Consultation with children, young people and families and carers has been carried out prior to the publication of the tender to inform commissioning intentions. Young people will be involved in full commissioning and implementation process as part of the evaluation and award panel.

#### 6 Financial Implications

Comments are contained in the report in the restricted part of the agenda

#### 7 Legal Services Comments

Comments are contained in the report in the restricted part of the agenda

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

The recommended option aligns with the Council's co-operative agenda.

The activities included within the range of services are aimed at ensuring young people achieve and succeed, becoming productive Oldham citizens. They encourage young people to do more for themselves and promote independence for young people so that they can begin to take responsibility for their own future and 'do their bit' for themselves and their communities

#### 9 Human Resources Comments

Comments are contained in the report in the restricted part of the agenda

#### 10 Risk Assessments

N/A

#### 11 IT Implications

N/A

#### 12 **Property Implications**

Non for the Council. The provider will have their own property arrangements from which to deliver services.

#### 13 **Procurement Implications**

Comments are contained in the report in the restricted part of the agenda

#### 14 Environmental and Health & Safety Implications

There are no implications for these services. The successful provider will be expected to adhere to all Oldham's Terms and Conditions as outlined within the standard contract.

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

None

#### 16 Implications for Children and Young People

Statutory services for children and young people will continue under a revised specification from 1<sup>st</sup> April 2022. Children and young people will be involved in the evaluation, award and implementation of the contract.

# 17 Equality Impact Assessment Completed?

A stage one EIA has been completed. Further evaluation of the impact of these services will be carried out during the implementation process to ensure minimum impact on service users.

### 18 **Key Decision**

Yes

# 19 **Key Decision Reference**

CYP-02-21

#### 20 **Background Papers**

None

### 21 Appendices

None

# Agenda Item 13

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.



# Agenda Item 14

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.



# Agenda Item 15

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.



# Agenda Item 16

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

