

CABINET Agenda

Date Monday 24 January 2022

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, 19 January 2022.

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

Any member of the public who attends a meeting and objects to being filmed for the Council's broadcast should advise the Constitutional Services Officer who will instruct that they are not included in the filming.

Members of the public and the press may also record / film / photograph or broadcast this meeting when the public and the press are not lawfully excluded. 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 by the Chair
- 3 Declarations of Interest
To Receive Declarations of Interest in any Contract or matter to be discussed at the meeting.
- 4 Public Question Time
To receive Questions from the Public, in accordance with the Council's Constitution.
- 5 Minutes of the Cabinet Meeting held on 13th December 2021 (Pages 1 - 10)
- 6 Review of the Council's Wholly Owned Company: Unity Partnership Limited (Pages 11 - 22)
- 7 Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2022/23 (Pages 23 - 36)
- 8 Positive Steps Contract Extension for Targeted Youth Support lots 2 and 3 (Pages 37 - 40)
- 9 Temporary Staffing Supply Contract (Pages 41 - 46)
- 10 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.
- 11 Positive Steps Contract Extension for Targeted Youth Support lots 2 and 3. (Pages 47 - 52)
- 12 Temporary Staffing Contract (Pages 53 - 58)

Present: Councillor Shah (Chair)
Councillors Akhtar, Chadderton, Jabbar, Moores, Mushtaq,
Roberts and Stretton

1 **APOLOGIES FOR ABSENCE**

Apologies for absence were received by Councillor Chauhan.

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 15TH
NOVEMBER 2021**

RESOLVED – That the minutes of the Cabinet meeting held on
the 15th November be agreed.

6 **REVENUE MONITOR AND CAPITAL INVESTMENT
PROGRAMME 2021/22 QUARTER 2 – SEPTEMBER 2021**

Consideration was given to a report of the Director of Finance
which provided the 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.

Revenue Position

It was reported that the current forecast outturn position for
2021/22 was a projected surplus variance of £2.413m after
allowing for approved and pending transfers to and from
reserves.

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

The pandemic was continuing to affect nearly all aspects of
Council service delivery; the most significant areas of concern
remained the People and Place, Children's Services and
Community Health & Adult Social Care Portfolios. Action was
being taken and would continue for the remainder of the

financial year to address variances and take mitigating action as detailed in the report.

The overall corporate position was 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 was 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 was presented as a single sum so that it highlighted the level of variation across all Council budgets, given that there was insufficient resource to offset the adverse COVID related variance. However, this summary report presented 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 was expecting to receive, was showing, for the first time a net underspend, hopefully demonstrating the impact of the service and corporate actions that had been initiated across all service areas to review and challenge planned expenditure and to maximise income. Action would 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 was also outlined in the report. 2022/23). 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 outlined the most up to date capital spending position for 2021/22 to 2025/26 for approved schemes. It was reported that 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).

The forecast position would continue to change throughout the year with additional re-profiling into future years.

Options/alternatives considered

Option 1 – To approve the report including proposed changes.

Option 2 – To approve some of the forecasts and changes included in the report.

Option 3 – Not to approve any of the forecasts and changes included in the report.

RESOLVED – That:

1. The Forecast revenue outturn for 2021/22 at Quarter 2 being a £2.413m favourable variance having regard to

the action being taken to manage expenditure be approved.

2. The Forecast positions for both the Housing Revenue Account, Dedicated Schools Grant and Collection Fund be approved.
3. The use of reserves as detailed in Appendix 1 to Annex 1 of the report be approved.
4. The revised capital programme for 2021/2026 as at Quarter 2 be approved.

7

SCHOOLS NATIONAL FUNDING FORMULA

Consideration was given to a report of the Director of Finance which provided detail regarding the resources available for School Funding for 2022/23 and required the Cabinet to consider how the funding for Schools and Academies should be distributed in 2022/23.

This report provided detail of the level of Dedicated Schools Grant (DSG) for 2022/23 together with its allocation across the three funding blocks for which information was currently available. The funding was based on October 2020 pupil numbers and would be subject to change once calculations have been updated to reflect October 2021 pupil numbers. The report also provided information about the National Funding Formula (NFF) for Schools, the High Needs Blocks for Oldham and also presented a recommended approach for the distribution of the Schools Funding Block of the DSG to Schools and Academies for 2022/23.

In addition, the report presented 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 was proposed that the factor applied in Oldham was initially reduced from 1.00546 to 1.00000. However, Members were advised that if there are any resources available once funding allocations based on updated pupil numbers are received, then this additional funding will be allocated through an increase to the ACA.

The indicative Schools block allocations to Local Authorities were 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 would not be updated for any characteristic changes to the October 2021 census until 2023/24. If there was a significant change in characteristics such as eligibility for free school meals, the factor values in the local formulae would be adjusted as necessary to meet any affordability pressures. Page 2 of 14 Schools Funding Formula 13th December 2021

It was also proposed that there was up to a 0.5% movement of funding from the Schools Block to the High Needs Block in order to manage the DSG (which was currently in a deficit position) so that the DSG was brought back into a balanced position by the end of 2023/24 as required by the Department for Education. Following the Government's Spending Review and the announcement that there would be £1.6bn in additional funding

for 2022/23 budgets, on top of the year-on-year increase already confirmed, the proposed transfer would be reviewed to see if there was a requirement for a 0.5% transfer from the Schools Block once detailed funding was known.

Options/alternatives considered

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

RESOLVED – That:

1. The model outlined in the report which was a move to the 2022/23 NFF cash values in full except for the Area Cost Adjustment factor, which was reduced to 1.00000 but with the opportunity to adjust the ACA if there were any resources available once actual 2022/23 funding allocations are received be approved.
2. The adjustment of the model if there was a significant change in characteristics such as eligibility for free school meals to meet any affordability pressures be approved.
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 would determine if the transfer is still required once details of the additional funding for 2022/23 are available be approved.

8

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)

Consideration was given to a report of the Director of Economy which sought approval of the Head of Terms attached to this report, which would trigger the Department for Education (DfE) to undertake feasibility and site investigations on the above site. It was reported the asset comprised the site of the former North Chadderton Lower School; together with an adjoining area of landscaped land. The site could be accessed off junction 21 of the M60 and was located fronting Broadway; close to the A627M. The facilities formerly provided by the school had been replaced on the North Chadderton Upper School site, and consequently the lower school site was cleared and surplus to the Council's requirements.

The site was 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.

Since then, the site had 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 pre-opening phase. It was proposed that this land will be the permanent site for a new free school, Chadderton Primary Academy.

Options/Alternatives

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 Department for Education. The Council would need to pay for a new school to be able to accommodate the primary school places.

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

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 13 of the agenda before making a decision.

9

LAND AT SALMON FIELDS, ROYTON, OLDHAM

The Cabinet gave consideration to a report of the Director of Economy which sought to approve a 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.

It was reported that 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.

The Community Diagnostics Hub (CDH) would provide radiology services in a community setting. The precise nature of the scanning services is yet to be confirmed, however, it could include MRI, PET CT, X-Ray, Mammography and Ultrasound. The NCA had requested that the site be flexible to accommodate the future expansion of services. The preferred site for the CDH was the former industrial site at Salmon Fields in Royton.

The NCA intend to spend funds on improving the ground conditions and providing an improved access into the site from Salmon Fields Road.

The site was 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.

A planning application had been submitted for the first phase of the CDH.

Options/alternatives considered.

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

Option Two - Do not grant the NCA a 50-year lease of the land at Salmon Fields, Royton
Option Three – Do nothing.

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 14 of the agenda before making a decision.

10

OLDHAM PERFORMANCE SPACE: DESIGN TEAM APPOINTMENT

The Cabinet gave consideration to a report of the Director of Public Health and Director of Economy which sought approval of 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 to authorise 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

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 had been successful in obtaining a Towns Fund grant towards the capital project. This funding was 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 needed 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 out which will enable the next phase of design to commence in October 2021.

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

Options/alternatives considered

Option 1 – Proceed to the next stage 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 15 of the agenda before making a decision.

11

APPROVAL TO DELEGATE THE DECISION TO AWARD CSC INTEGRATED COMMISSIONING SERVICES CONTRACT FROM 1ST APRIL 2022

Consideration was given to a report of the Director of Education, Skills and Early Years which sought approval to delegate a decision to award a contract for CSC Integrated Commissioning Services Contract ensure statutory services continue to be delivered from 1st April 2022 following a full and robust procurement and commissioning process.

Oldham Council was 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 would enable children, young people and families/carers to access high-quality information, advice and support across a range of services. It would 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.

Decision to award would 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 had been in place meeting fortnightly including service area experts, commissioning, legal, procurement and finance colleagues. The Project Board had ensured progress is maintained, provided due diligence and has overseen development of all procurement documents including service specifications. The Project Board would 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 would 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 were: CSC covering Advocacy/Independent Visitors, Regulation 44 Visits and Mental Health Support for Children Looked after and their support network.

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

The CSC services in scope were currently published as a live tender on the Chest. This became live on 18th October 2021 and will close on 25th November 2021. Following this the project board, including children and young people, will form an evaluation and moderation panel. The panel would 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.

Options/alternatives considered

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.

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

RESOLVED – The Cabinet would considered the commercially sensitive information contained at Item 16 before making a decision.

12 **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.

13 **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)**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 8 -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).

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

14 **LAND AT SALMON FIELDS**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 9 - Land at Salmon Fields

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

15 **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 agreed.

16 **APPROVAL TO DELEGATE THE DECISION TO AWARD CSC INTEGRATED COMMISSIONING SERVICES**

CONTRACT FROM 1ST APRIL 2022

The Cabinet gave consideration to the commercially sensitive information in relation to Item 11- Approval to delegate the decision to award CSC integrated commissioning services contract from 1st April 2022.



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

The meeting started at 6.00pm and finished at 6.16pm.

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Report to CABINET

Review of the Council's Wholly Owned Company: Unity Partnership Limited

Portfolio Holder:

Councillor Arooj Shah, Leader of the Council

Officer Contact: Harry Catherall, Chief Executive

Report Author: Lewis Greenwood, Head of Executive Services

24 January 2022

Reason for Decision

In February 2018 Cabinet agreed to the reshaping of Unity Partnership Limited (UPL). To support the Cabinet in making this decision, the Council had undertaken an options appraisal of the arrangements between UPL and Kier Partnership Limited. The outcome of that appraisal saw UPL become wholly owned by the Council. At the time, the intended purpose of UPL was to assure the sustainability and performance of services provided to the Council to increase the likelihood of the sustainability of UPL and deliver efficiencies.

As part of UPL becoming wholly owned by the Council a Partnership Agreement (The Agreement) was agreed and this confirmed that annual reviews of the arrangements would be undertaken. In September 2021 it was therefore appropriate that a review of the arrangements was commissioned. The purpose of this review was to determine the viability of the company, confirm whether it is fit for purpose in terms of service delivery and value for money for Oldham residents and the Oldham pound and that the ambitions of the company align to those of the Administration as set out and endorsed at Full Council in May 2021.

This review has completed, and this paper sets out the outcome and recommended approach going forward for the Council and in doing so, details the changes necessary to respond to and implement the recommendations of the review.

Executive Summary

In September 2021 an options appraisal of our wholly owned companies was commissioned. This paper sets out the outcome of that appraisal for Unity Partnership Limited (UPL), details the

changes necessary and sets out the recommended option to transition services provided by UPL to the Council.

Recommendations

It is recommended that Cabinet:

1. Note the position outlined in this report in relation to the review and the subsequent options arising from this
2. Note and consider the options set out for the direction of travel and future model for services currently provided by UPL to the Council
3. If the recommended option as set out in section four of this report is agreed, delegate to the Chief Executive in consultation with the Director of Finance, Director of Legal and Director of Workforce and Organisational Design the exercise to undertake appropriate consultation with all staff, Trade Unions and Partners setting out the view to transition staff and services provided by Unity Partnership Limited to the Council under TUPE arrangements
4. Agree to the Partnership Agreement between the Council and UPL be terminated and in doing so, authorise the Director of Legal Services or their nominated representative to sign all appropriate documentation necessary for the purpose of implementing the recommended option.
5. Agree to Unity Partnership Limited Company continuing to trade for a minimum period of 12 months whilst a review of how the Council delivers Traded Services is undertaken. It is expected this review will be presented for consideration before January 2023
6. Appoint the Chief Executive and Head of Paid Service of the Council to be the Council's Shareholder representative of Unity Partnership Limited whilst it continues to trade

1 Background

1.1 Unity Partnership Limited (UPL) is a wholly owned company of Oldham Council. This was agreed by the Cabinet at its meeting on 26 February 2018. In response to this decision, amendments to the original Partnership Agreement (the Agreement) entered on 2 May 2007 between the Council and UPL was amended. The Agreement confirms the services provided on behalf of the Council and these are:

- Highways
- Property Services
- Revenues and Benefits (Exchequer Services)
- Contact Centre
- ICT
- Payroll (including Recruitment)
- Consultancy (Business Change Services)

1.2 The updated Agreement from September 2019 was due to expire at the end of the initial term on 31 August 2020, but a Deed of Variation was entered into to extend the Agreement for a further period of five years, subject to annual review. September 2021 was timely for such review to take place and this paper sets out the framework of that review, the recommended outcome, and the proposed way forward for implementation.

1.3 Due diligence in respect of all options has been undertaken by a team of council officers representing the key relevant areas; the outcomes of which are set out in various sections in this report.

2 Current Position

2.1 Adopted at Full Council in 2021, the Administration set out the priorities for the Borough. A main priority for the Council is to ensure we are resident focused and a fundamental part of this is ensuring we have one Council – working for our residents, businesses and communities. Key to this is having good quality service delivery that maximises outcomes for our residents. This priority was at the forefront of the review of UPL. This section sets out the background of the review and the recommended way forward.

2.2 The focus of the review was to determine the viability of the company, confirm whether it is fit for purpose in terms of service delivery and value for money for Oldham residents and the Oldham pound and that the ambitions of the company align to those of the Council.

2.3 A position has been reached that provides the basis for Cabinet to consider the outcome of the review and seek agreement to the preferred option which recognises that services currently provided by UPL are core Council services and should transfer to the Council. If this option is agreed a number of factors will need to be acted on. These are set out within the next sections of this report.

2.4 The termination of existing arrangements will be required. Clause 32 of the Partnership Agreement provides that “Without affecting any right or remedy available to it, the Authority may terminate this agreement at any time by giving 12 months’ notice to the Partner”. There is however scope for a negotiation for an earlier termination given the Council is the sole shareholder of the company. Directors are appointed to UPL and have

a fiduciary duty to act in the best interests of the company. It is envisaged that for a minimum period of 12 months, UPL will continue to trade providing the option for the Council to explore its delivery vehicle for traded services and therefore it is not recommended that the company ceases trading at this stage.

2.5 Should Cabinet agree to terminate the existing arrangements then the Council must follow the Partnership Agreement which sets out an “Exit Management Plan” contained as Schedule 9 to the Agreement. It is recommended that the Cabinet delegates authority of this exercise to the Chief Executive in consultation with the Director of Finance, Director of Legal Services and Director of Workforce and Organisational Design. The Council will continue to be the only shareholder of UPL during the transition of services and staff and whilst the company continues trading. It is recommended that the Chief Executive and Head of Paid Service is the Council’s shareholder representative of the Company.

2.6 Services provided by UPL

The services provided the Council by UPL contained within the Agreement are set out in section 1.1 of this report. As set out in option 4 of this report, it is recommended that the provision of these services is transferred from UPL to the Council. It is intended that the transfer of all services will be with effect from 1 April 2022 – although it is recognised that a small number of staff may still be employed by UPL to allow statutory requirements to be completed.

2.7 There is potential that services provided to third parties can be undertaken by the Council subject to existing legal powers. The power to trade for commercial purposes under the general power of competence provisions of the Localism Act are required to be undertaken, by section 4 (2) of the Act and by the provisions of the Local Government Act 2003 by a limited Company. There could be advantage in retaining UPL to deliver those services where trading takes place for commercial purposes. The Authority could provide services for which discretionary charges are made but subject to such changes equating to cost recovery. In addition, the provisions of the Localism Act there are a miscellany of statutory trading powers available to the Council and it would be necessary to undertake a detailed analysis of each service to ascertain whether such delivery could be undertaken by the Council in accordance with these statutory powers. These considerations will be key factors of a review of the delivery vehicle of traded services by the Council.

2.8 Some service provision provided by UPL is external to the Council as set out below:

- Highways – 12% external to the Council to Rochdale Borough Council, Utilities and private developers
- Property – 1% external to the Council to FCHO and the NHS and 9% to Schools and Academies
- Revenues and Benefits – 1% to Schools and Academies, 1% to First Choice Homes Oldham and Blue Badge Charges for Residents
- Consultancy – 11% to the NHS and Greater Manchester Combined Authority
- Payroll – 38% to Schools and Academies

The Council already provides traded services direct into schools and academies. The Council will further explore the option of continuing to provide these services directly however further detailed analysis is required to be undertaken particular in relation to the nature of the contract. Similarly, the Council will explore options in relation to service delivery to other Local Authorities/Public Bodies. Again, this will be a key factor of the Council’s review into the delivery vehicle of traded services. The review will also consider the provision of services provided to private developers.

In addition, from April 2021 UPL has provided an ICT managed provision to NHS Oldham CCG and staff. In addition to provision of hardware, this has included services such as the service desk, field services, application management, infrastructure and active directory services, IT procurement and IT security services. Unity ICT has also acted as the managing agent to the GPIT service between NHS Oldham and Greater Manchester Shared Services (GMSS), who have retained the operational management of the NHS Digital primary care systems.

2.9 Workforce Implications

There are a number of considerations given which have an impact on the workforce. This is set out below.

There are currently 345 staff employed within UPL, structured as follows:

Section	Number of Staff
Accounts Payable / Accounts Receivable	16
Business Change Services	6
Corporate	5
Customer Services	41
Estates	11
Highways	36
ICT	76
HR / Payroll	27
Property	39
Revs & Bens	87
Total	344

This is supplemented by a contractor workforce of 58 – bringing the total number of staff to over 400.

2.10 There are a number of factors to be considered from a workforce perspective if the recommended option is to be agreed. These are:

- Formal workforce consultation as required under TUPE regulations
- The design and integration of transferring functions and responsibilities
- Cost implications arising from the admittance of staff into the Local Government Pension Scheme
- The implications of UPL's varying terms and conditions of employment and the cost implication of their potential assimilation of pay to the Council's Pay and Grading Structure

The benefits of a unified workforce however are clear, most prominently being:

- The removal of any duplication to process, system and governance discrepancies leading the improved service synergy and delivery to residents;
- A more holistic approach across services to organisational and service transformation thus providing benefits and efficiencies to service delivery and residents;
- The removal of in-built inefficiencies and contention by redesigning and reducing duplication
- Removal of any risks around discrepancies in pay and conditions.

2.11 Consultation

The requirement for formal consultation with a workforce transferring under TUPE regulations is well defined and will be applied robustly in this situation. This will include the rationale, implications of transfer and any proposed 'measures' (i.e. changes) resulting from the transfer. The large scale and wholly owned nature of UPL provides opportunity to ensure full staff engagement with the process and the development of aligned values and behaviours as part of the transfer. Consultation can therefore extend beyond the mechanics of the transfer and incorporate engagement activity as appropriate.

2.12 Service Design and Integration

A number of services provided by UPL have a clear alignment with other Council functions. These are set out in the table below. However, there are exceptions of the ICT service, Customer Services and the 'Corporate' function which need further consideration.

Unity Partnership Function	'Aligned' Council Function
Accounts Payable / Accounts Receivable	Finance
Business Change Services	Transformation
Corporate	TBD
Customer Services	New Customer and Digital Function
ICT	New Customer and Digital Function
Estates	Economy
Property	Economy
Highways	Environmental Management
HR / Payroll	Workforce and Organisational Design
Revs & Bens	Finance

If integration, improved efficiency and service delivery are to be achieved, process and structural design work will be required. Whilst this needn't be fully developed in advance of the transfer (with the potential for services to transfer as-is in the first instance) this process will be critical to achieving the objectives sought. The Chief Executive and Head of Paid Service will give consideration to this aspect prior to consultation with staff.

2.13 Local Government Pension Scheme

Currently UPL operates under two pension schemes; the Local Government Pension Scheme (LGPS) (where transferred employees retained membership) and the Royal London Scheme. The breakdown for scheme membership is as follows:

Pension terms	Staff no.	% of Workforce
LGPS - Oldham	129	37.39%
LGPS 50/50 - Oldham	1	0.29%
Royal London	172	49.86%
No scheme	43	12.46%
Grand Total	345	100.00%

The Council are not able to offer the Royal London Scheme; therefore, all transferring staff must be given the option to be transferred to the LGPS. This scheme offers improved

benefits when compared to the Royal London Scheme but requires increased 'Employer' contributions. The estimated additional cost of staff being admitted to LGPS is circa £0.800m per annum and a total of £0.892m if individuals not currently in any pension also joined the scheme.

2.14 Terms and Conditions

UPL currently operates a range of employee terms and conditions as a result of transfers having occurred at different stages and the adoption of terms and conditions from Agilysis, Mouchel and Kier. These are in addition to UPLs own organisational terms and conditions. A full assessment of terms and conditions is required and will form part of the TUPE process. However, salaries will be a more prominent issue with some discrepancy within the salaries of the UPL workforce and this being further compounded by the transfer into the Council. The option to assimilate salaries onto the Council's pay scales (where this is not detrimental to the transferees) has been assessed and carries the following indicative costs:

Service Area	Current Salary Costs	New Assimilated Salary Costs	Additional Assimilated Costs
Business Change Services	£308,205.14	£313,645.83	£5,440.69
Highways	£1,102,226.62	£1,121,891.68	£19,665.06
HR, Payroll & Pensions	£826,728.78	£839,727.27	£12,998.49
ICT	£2,747,184.01	£2,786,181.60	£38,997.59
Property	£1,565,981.76	£1,581,170.01	£15,188.25
Revenues and Benefits and Customer Support Centre	£2,758,524.82	£2,784,711.81	£26,186.99
Unity Corporate HQ	£285,672.39	£287,795.61	£2,123.22
Grand Total	£9,594,523.53	£9,715,123.81	£120,600.28

2.15 Transitional Arrangements

UPL's governance permits the redesign and implementation of workforce changes (i.e. recruitment and redundancy) as required. Should however, the proposed recommendation set out within the paper receive support, consideration to joint decision (The Council and UPL) making in respect of significant workforce changes should be installed to ensure changes are cognisant of the future operating model of the Council.

2.16 Timeline

Whilst there is no fixed period for formal TUPE consultation, a minimum period of 45 days meaningful consultation to align with best and previous practice will be exercised. Should the recommended option be agreed, there will be sufficient opportunity for consultation and diligence for the organisation to occur between the end of January 2022 and March 2022, with a view to the transfer occurring thereafter.

2.17 Key Financial Matters

2.18 a) Council position

The Council receives services from UPL through the Agreement and the core fee – some of these services commissioned are variable in nature. The total core fee for 2021/22 is £11.305m and the breakdown is as follows:

Service	£m
ICT	£3.492
Revenues and Benefits	£2.668
Property	£1.747
Highways	£1.337
Contact Centre	£1,090
HR Transactional & Payroll Services	£0.564
Financial Transactions (AP/AR)	£0.407

The core fee for 2021/22 includes two budget reductions totaling £0.900m with a further reduction of £0.4755m required for 2022/23. Other commissioned services known as non-core activity are funded by a mixture of base budget, capital schemes, reserves and specific grants. This variable work is still subject to change for 2021/22. However, in 2020/21 the Council (including schools) paid UPL £19.865m. The split between core and non-core was as follows:

Core	61%
Capital	21%
Non-core	18%

The Council receives a contribution of £0.948m from UPL by way of an annual recharge for building occupation and access to professional services such as Finance and Legal. In addition, the Council expects an annual dividend of £0.250m from UPL.

2.19 UPL current financial position

The year-to-date results currently forecast profit of £0.077m (2020/21 £0.008m profit). This is after the inclusion of approved budget reductions and council recharges. It excludes the payment of a dividend to the Council as set out above. The main source of income for UPL is from the Council at 88%. UPL also generates income from external organisations including NHS Oldham CCG, Rochdale Borough Council, First Choice Homes Oldham and utility companies. This represents 6% of income with the remaining 6% from schools and academies. The main costs for UPL are for staff which represents 81% of total spend. Non pay costs account for 19% of total expenditure with the majority of this in Exchequer Services and ICT. ICT non-pay costs relate to specific systems which are covered from the core fee paid by the Council.

3 Options/Alternatives

3.1 Three options were considered as part of the review and these are set out below. The details to support the options are included in the narrative below.

3.2 Options

Option 1 – Continue as is

For the reasons set out earlier in this paper – this option is not recommended.

Option 2 – mixed model of delivery

A mixed model of services provided by the Council and UPL could be developed where either additional Council Services transfer to UPL and/or more services transfer back to the Council. Again, for reasons set out in this paper – this option is not recommended.

Option 3 – Transfer services back to the Council and retain UPL as a wholly owned company for a minimum period of 12 months whilst the Council considers its delivery vehicle for Traded Services.

4 Preferred Option

4.1 Option 3 – Transfer services back to the Council and retain UPL as a wholly owned company for a minimum period of 12 months whilst the Council considers its delivery vehicle for Traded Services.

4.2 As set out earlier in this report, a priority for the Council is to deliver resident focused services. Central to this is having one Council – delivering for our residents, businesses and communities. It is therefore recommended that the Cabinet agrees to the transfer of services provided by UPL back to the Council in line with our one Council approach. It is considered that by implementing this option, the Council see benefits of performance, service improvements and efficiencies, thus having a positive impact on both staff and residents of Oldham.

4.3 If this option is agreed, it is recommended that Cabinet delegates authority to the Chief Executive in consultation with the Director of Finance, Director of Legal and Director of Workforce and Organisational Design the exercise to undertake appropriate consultation with all staff, Trade Unions and Partners.

5 Consultation

5.1 Full consultation with Unity Partnership Board, staff, Trade Unions and Partners will be undertaken.

6 Financial Implications

6.1 The preferred option is to transfer services from UPL back to the Council and retain the company for a minimum of 12 months to enable the Council to consider its traded services.

6.2 As outlined in Section 2, the Unity Core Fee for 2021/22 is £11.305m for which full budget provision is available. In addition, the Council pays for variable non-Core fee work using capital resources where Unity colleagues support the delivery of capital schemes, service revenue budgets, grant income and reserves where Unity colleagues are supporting the delivery of specific projects, currently including many COVID related activities. This is still subject to change in 2021/22. Total payments to Unity for 2020/21 up to £19.865m.

6.3 The Council receives a contribution to overheads from Unity of £0.948m and expects to receive a dividend of £0.250m (although this depends on the performance of Unity). It is anticipated that the implications of the removal of these transactions will have a neutral budgetary impact, given that most of Unity's income is from the Council.

6.4 A review has been undertaken of the financial implications of the three options outlined above. This has indicated that in order to support the recommended approach, £1.3m should be provided in the 2022/23 budget on a one-off basis to support the additional

costs linked to any requests to join the GM Pension Fund, terms and conditions and other transitional arrangements. It is proposed that this is funded from Council reserves in the first instance with the expectation that the efficiencies and opportunities to redesign service delivery will effectively fund this investment over a two-year period.

- 6.5 The services that Unity provides to other organisations which generate fee income will require a detailed review aligned to a wider review of how the Council delivers traded services to determine a preferred approach. This review will take place over the financial year 2022/23. Any financial issues arising from this will be the subject of a further report.
- 6.6 An important consideration is the assets and liabilities in the Unity balance sheet. A detailed exercise is required to determine the overall benefit to the Council from the assets, including cash and will be undertaken as part of the programme to support the recommended approach. (Nicola Harrop, Finance Manager)

7 Legal Services Comments

- 7.1 Unity Partnership is a wholly owned “Teckal” compliant Company owned by the Council. There is a Partnership Agreement (the Agreement) in place between Oldham Council and the Unity Partnership Limited (the Company) for the provision of agreed Services. The Agreement was initially entered into on 2 May 2007, subsequently varied on 1 October 2014 and then further updated on 24 September 2019. The Agreement was due to expire at the end of the Initial Term on 31 August 2020, but a Deed of Variation was entered into to extend the Agreement for a further period of five years, subject to annual review.
- 7.2 Should the Council decide to terminate the existing arrangements by service the required notice then the Partnership Agreement provides that the parties should follow an “Exit Management Plan” which is contained as Schedule 9 to the Partnership Agreement.
- 7.3 The services provided by the Authority by Unity are contained within Schedule 1 of the Partnership Agreement and, of course, such services may therefore be undertaken by the Authority itself without any concern regarding vires. Services provided to third parties might be capable of being undertaken by the Authority subject to existing legal powers. The power to trade for commercial purposes under the general power of competence provisions of the Localism Act are required to be undertaken, by section 4 (2) of the Act and by the provisions of the Local Government Act 2003 by a limited company. There would be advantage in retaining the Unity company to deliver those services where trading takes place for commercial purposes. The Authority could provide services for which discretionary charges are made but subject to such charges equating to cost recovery. In addition, the provisions of the Localism Act there are a miscellany of statutory trading powers available to the Authority and it would be necessary to undertake a detailed analysis of each service to ascertain whether such could be undertaken by the Authority in accordance with these statutory powers to be intra vires.
- 7.4 Members will need to be satisfied of the reasonableness of making this decision and in particular will need to consider, as outlined in the report, the financial implications of the proposed arrangements, TUPE transfer issues, equal pay considerations, the novation of contracts and the cost implications of access to the GM pension scheme. (Paul Entwistle, Director of Legal Services)

8 Co-operative Agenda

- 8.1 The preferred option as set out in section 4 of the report is aligned to the Council’s Co-operative agenda and in particular the co-operative services element of this.

9 Human Resources Comments

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- 9.1 HR comments are fully reflected within the report in sections 2.9-2.16. (Paul Dernley, Assistant Director HR Operations)
- 10 **Risk Assessments**
- 10.1 All risk assessments have been undertaken as part of the options appraisal.
- 11 **IT Implications**
- 11.1 As the primary IT support provided for NHS Oldham CCG, UPL acquired the responsibility for supporting the CCG in their annual recertification of the DSP Toolkit, which is the NHS technical security standard. To support this, UPL has completed a task to segregate Unity Partnership and Oldham Council networks in order to obtain Cyber Essentials Plus security certification and deployment of a Zero trust end user environment that has been an enabler to establishing a secure Health and Social Care Network (HSCN) connection that allows Oldham-based staff to access the NHS digital services. UPL has a direct link to the Oldham Hospital Azure Active Directory, Patient Administration System and document store. This enables the pre-population of information and a safe transfer of documentation which has been produced utilising the apps managed by UPL. This will need to be carefully reviewed if the preferred option as set out in section 4 of this report is agreed. (Dominic Whelan, Chief Operating Officer, Unity Partnership)
- 12 **Property Implications**
- 12.1 Not applicable at this stage.
- 13 **Procurement Implications**
- 13.1 There are no direct Procurement implications of transferring these Services back in house, however Procurement will work with Legal with regards to novating over to the Council any Contracts that will be live beyond 1st april'22 procured in the name of Unity Partnership. Due to the likely high volume of contracts that will require novating a phased approach will be adopted, which may go beyond 31st March'22. As Unity Partnership are to trade as an entity for a further 12 months beyond March'22 this will not be an issue. Additionally, Procurement will work with Legal and other relevant members of the Project Team to review existing Trade Agreements that Unity Partnership have put in place. (Steve Boyd, Head of Procurement)
- 14 **Environmental and Health & Safety Implications**
- 14.1 Not applicable at this stage.
- 15 **Equality, community cohesion and crime implications**
- 15.1 N/A
- 16 **Equality Impact Assessment Completed?**
- 16.1 No – will be part of any consultation
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
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18.1 ESR-10-21

19 **Background Papers**

19.1 None

20 **Appendices**

20.1 None

Report to Cabinet**Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2022/23**

Portfolio Holder: Report of Councillor Abdul Jabbar MBE,
Deputy Leader & Cabinet Member for Finance and Low Carbon

Officer Contact: Anne Ryans (Director of Finance)

Report Author: John Hoskins (Finance Manager)
Ext. 1323

24 January 2022

Reason for Decision

This report presents to Cabinet the Council Tax Tax Base and provisional Non-Domestic Rates (NDR) Tax Base forecast for 2022/23 which will underpin the forthcoming Council Budget and Medium-Term Financial Strategy scheduled for consideration at Budget Council on 2 March 2022.

The report also seeks delegated authority to finalise the 2022/23 Non-Domestic Rates (Business Rates) forecast in order to reflect up to date Non-Domestic Rates details to be submitted to Central Government via the annual NNDR 1 return by the statutory deadline of 31 January 2022.

Executive Summary

This report sets out information on the Council Tax Tax Base for 2022/23 using the most up to date valuation list and all other information and estimates available.

The total number of chargeable properties included in the Council Tax Tax Base calculation in Oldham for 2022/23 is 95,640. This figure is reduced to 86,700.8 after allowing for discounts and exemptions and translates to the equivalent of 68,910.7 Band D properties. After applying adjustments for the Local Council Tax Support scheme offset by the additional charging for empty properties and an anticipated increase in the number of properties to be included in the valuation list over the forthcoming year, the number of Band D equivalent properties reduces to 59,379.8. The final Tax Base after the application of the anticipated collection rate of 96.75% is 57,450 which is an increase of 250 when compared to the Council Tax Tax Base for 2021/22 of 57,200.

The 2022/23 Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,833 and 5,548 respectively, have been calculated using the same methodology.

Statute requires local billing authorities to prepare and submit to the Department of Levelling Up, Housing and Communities (DLUHC) a locally determined and approved Business Rates forecast through the NNDR 1 return by 31 January each year. This forecast will be used to determine the 2022/23 “demand” and payment schedule for Business Rates between Oldham Council and the Greater Manchester Combined Authority. Being a participant in the Greater Manchester 100% Rates Retention Pilot Scheme which was confirmed for the financial year 2022/23 in the Provisional Local Government Finance Settlement announced on 16 December 2021 means the Council no longer pays a share of Business Rates to Central Government. Instead, Oldham currently retains 99% of the income with 1% being paid to the Greater Manchester Combined Authority for Fire and Rescue services.

The estimated rating income for 2022/23 attributable to Oldham Council is currently £48.605m which is a decrease of £2.014m compared to 2021/22. This is however due to Business Rates reliefs being announced thus reducing the sum billed with the Council receiving compensating grant instead. Delegation is sought to enable the Business Rates forecast to be updated to take account of up to date Non-Domestic Rates information, enabling the submission to Central Government of the annual NNDR 1 return by the statutory deadline of 31 January 2022.

As the 100% Business Rates retention regime is continuing, the Council has assumed a benefit of approximately £2.720m from the pilot scheme for 2022/23. The Council can retain 50% of this benefit with the balance attributable to the GMCA. The Council’s share, £1.360m will be made available to support the 2022/23 budget whilst the GMCA share will be transferred to a reserve to be paid to the GMCA once the final position has been agreed. These figures will only be confirmed at the end of 2022/23.

It is important to highlight to Members that the preparation of Council Tax and Business Rates taxbases is being undertaken in a period of unprecedented uncertainty and volatility. The COVID-19 pandemic and recent Government announcements relating to extended retail relief have continued to reduce both the Council Tax and Business Rates income collected in 2021/22 to the extent that an income deficit of £7.741m is projected for the Council at the end of 2021/22 (this is initially accounted for in the Collection Fund). However as Central Government is providing grants in lieu of business rates, specifically for the provision of Extended Retail Relief, current estimates are that there will be grant received of £9.045m which removes the deficit and allows the use of £1.304m of additional resources to support the 2022/23 budget.

Recommendations

It is recommended that:

- 1) Cabinet approves:
 - a) The Council Tax Tax Base for 2022/23 at 57,450 Band D equivalent properties.
 - b) The latest estimate for 2022/23 Business Rates revenue that is attributable to Oldham Council as being £48.605m.
 - c) The drawing down from the Collection Fund of £2.720m of Business Rates retention gains anticipated for 2022/23, of which the Council will utilise £1.360m (50%)
- 2) Cabinet notes the Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,833 and 5,548 respectively.
- 3) Cabinet delegates the decision to vary the final Business Rates forecast and hence the Business Rates Tax Base, if required, to the Deputy Leader and Cabinet Member for Finance and Low Carbon in consultation with the Director of Finance.

Council Tax Tax Base and Non-Domestic Rates Tax Base Forecast 2022/23**1 Background**

- 1.1 The Local Government Finance Act 1992 (as amended) and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 requires the Council as the Billing Authority to calculate and approve the Council Tax Tax Base for 2022/23 by 31 January 2022, based on the valuation list and other information and estimates available. The method of calculation is contained in the regulations.
- 1.2 This report presents for approval, Oldham Council's Council Tax Tax Base for 2022/23 and the extracted Tax Bases for Saddleworth and Shaw & Crompton Parish Councils. This will enable Tax Base information to be made available to the Greater Manchester Combined Authority in relation to major precepting functions and the two Parish Councils in Oldham.
- 1.3 The Council will use the Council Tax Tax Base for 2022/23 in setting the Council Tax and determining the level of Council Tax income for 2022/23.
- 1.4 Notification of the 2022/23 Council Tax Tax Base has to be provided to Major Precepting Authorities by the statutory deadline of 31 January 2022. The GMCA is responsible for determining the two major precepts, the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire and Rescue Services).
- 1.5 The Non-Domestic Rating (Rates Retention) Regulations 2013 set out a timetable for informing the Government and precepting Authorities of the Business Rates revenue calculation. The Council is required to submit a Government return (NNDR 1) by 31 January in the year prior to the financial year for which the calculation is being made. The return estimates the amount of Non-Domestic Rate (NDR) that it is expected will be collected in the following financial year. Given the legislative changes introduced from April 2013 and the 100% Business Rates Retention Pilot arrangements which have continued for a further year, the estimates now take on a higher profile as a result of the Council retaining a greater proportion of the business rates collected.
- 1.6 Consequently, the Council must formally approve the NDR forecast in a manner similar to the Council Tax Tax Base.

2 Current PositionCollection Fund Forecast Outturn Position for 2021/22

- 2.1 The Collection Fund forecast outturn position is presented within the revenue monitoring reports considered by Cabinet throughout the year. As explained later in this report, it is exceptionally challenging to accurately forecast Council Tax and Business Rates revenues over the short to medium term.

- 2.2 The financial monitoring reports have highlighted that there has been an increase in the level of Council tax arrears and therefore an increased deficit on the Council Tax element of the Collection Fund which has to be addressed over future financial years.
- 2.3 In 2021/22, the Government continued the extension of Business Rates discounts giving a 100% discount in respect of retail, leisure, hospitality and nursery properties for the period April to June 2021 and 66% for the remainder of the financial year. Business Ratepayers for these businesses were therefore not required to pay their full Business Rates and the Government instead compensated the Council for the loss of income via a grant. This grant is currently estimated to be £9.045m. It is important to note that even though the amount of Business Rates to be collected has been considerably reduced due to a combination of the pandemic, the challenging economic environment and the impact of the extended retail relief, collection has been below that seen at pre-pandemic levels.
- 2.4 At this stage, for budget setting purposes and for the purpose of notifying the Greater Manchester Combined Authority (GMCA) as major preceptor, the Collection Fund in year forecast outturn position for both Council Tax and Business Rates for 2021/22 will be an estimated deficit of approximately £8.074m of which the Councils share is £7.741m. However as Central Government is providing grant in lieu of business rates, specifically for the provision of Extended Retail Relief, current estimates are that there will be grant received of £9.045m which removes the deficit and allows the use of £1.304m of additional resources to support the 2022/23 budget.
- 2.5 Members will be aware that on 15 December 2021, the Government issued information on the Business Rates reliefs which were initially notified on 25 March 2021. It has taken some time for Government to pass the necessary legislation to enable these reliefs to be provided. The Council has been allocated grant resources of £4.203m using discretionary relief powers under section 47 of the Local Government Finance Act 1988. The Council is required to devise its own scheme to allocate the resources. However, this late change is not expected to have an impact on the projected Collection Fund outturn for 2021/22 as the Council will be fully compensated for the reliefs provided up to the value of £4.203m
- 2.6 The statutory deadline by which preceptors must be notified of the 2021/22 Council Tax surplus/deficit is 15 January 2022. Appropriate formal notification was provided by the required due date.

Calculation of the Council Tax Tax Base for 2022/23

- 2.7 The Council Tax Tax Base determines the Council Tax revenue generated at a given collection rate, for each £1 of Council Tax levied. It is the estimated full year equivalent number of chargeable dwellings. This is expressed as the equivalent number of Band D dwellings with two or more liable adults.
- 2.8 In October each year the Government requires the submission of a return, the CTB1, and a version of this is used as the basis for the calculation of the Tax Base. Using this return, Appendix A shows the total number of dwellings

on the valuation list in Oldham is 97,677. Allowing for exemptions, demolitions and disabled relief dwellings, this number reduces to 95,640 chargeable dwellings which are then allocated across the nine Council Tax Bands. Some of these chargeable dwellings receive discounts from Council Tax (e.g. dwellings occupied solely by students) whilst single person households pay only 75% of the charge otherwise payable. The number of dwellings is therefore adjusted to reflect these discounts and exemptions, giving a figure of 86,700.8 dwellings.

- 2.9 The nine Council Tax Valuation bands provide the basis for the Tax Base calculation, with the number of chargeable dwellings in each band being calculated through to its 'Band D equivalent'. A bill for a Band A property is equivalent to 6/9 for that of a Band D property whilst a Band H property is equivalent to 2 times (18/9) of a Band D property. The application of the Band D equivalent calculation therefore reduces the Tax Base to 68,910.7.
- 2.10 A further adjustment is required to the Tax Base due to the Local Council Tax Reduction Scheme (LCTRS). The scheme replaced Council Tax Benefit and was introduced for the first time in 2013/14. The LCTRS is treated as a discount rather than a benefit and therefore reduces the Tax Base. The Council has chosen not to consult on changing the LCTRS for 2022/23 and therefore the scheme will remain the same as that for 2021/22 with discount anticipated to continue to be capped at 85% of a Band A property.
- 2.11 The summarised method of calculating the 2022/23 Tax Base is shown in Appendix A. This shows that, taking the above issues into account, the Tax Base would be 59,379.8 at a 100% collection level but would be 57,450 at a collection rate of 96.75%. The Tax Base has increased by 250 compared to the figure for 2021/22 (tax base in 2020/21 was 57,200), largely reflecting an expected decrease in the number of households claiming Council Tax Reduction as the economy continues to recover from the Coronavirus pandemic.

Estimated Collection Rate

- 2.12 A recent review of collection levels has been undertaken to inform the 2022/23 budget process. This review has been informed by:
- The impact of the LCTRS on Council Tax revenues. Evidence indicates that entitlement to benefit has begun to reduce from the levels seen at the height of the pandemic, similarly collection rates in 2021/22 are showing some signs of improvement (however, the recent advent of the Omicron variant may impact on this position but this is as yet unknown).
 - The general economic climate and pressures on households to manage their finances which has seen increasing numbers of Council Tax payers falling into arrears;
- 2.13 In view of the above it is considered appropriate to maintain the anticipated collection rate at 96.75%. The Council will however continue to closely monitor the collection rate and tax base position to determine whether the changing environment around the COVID-19 pandemic has any impact on the Council Tax collection rate and Collection Fund position.

Parish Council Tax Bases

- 2.14 The Tax Base calculated for 2022/23 for the Parish Councils of Saddleworth and Shaw & Crompton are 8,833 and 5,548 respectively. This represents a increase for Saddleworth of 133 Band D equivalent properties and for Shaw & Crompton an increase of 69 Band D equivalent properties when comparing totals to the Parish Tax Bases for 2021/22. The Tax Bases have been calculated on a basis consistent with those for the Borough as a whole.
- 2.15 The Council provides grant compensation to the two local Parish Councils for losses associated with the introduction of Local Council Tax Reduction Schemes in 2013/14. Whilst Central Government originally provided grant funding in 2013/14 to cover these losses, the funding was subsequently rolled into Revenue Support Grant and cut year on year. Between 2016/17 and 2019/20, the grant payable to Parish Council's was scaled down to match continued reductions in Revenue Support Grant. Grants payable to the Parish Councils have subsequently continued to be maintained at 2019/20 levels and this continues to be the policy. The amount of grant payable to each Parish for 2022/23 is set out in the table below.

	2022/23 £000
Saddleworth Parish Council	13
Shaw & Crompton Parish Council	5
Total Parish Grant Payable	18

Business (Non-Domestic) Rates

- 2.16 Local billing authorities are required to prepare and submit to the Department for Levelling Up Housing and Communities (DLUHC) a locally determined and approved Business Rates forecast through the NNDR 1 return by the statutory deadline of 31 January each year. This forecast is used to determine the 2022/23 "demand" and payment schedule for Business Rates revenues between Oldham Council and the GMCA. The GMCA determines the Mayoral General Precept which includes Fire and Rescue functions for which it receives 1% of all Business Rates Revenues collected across Greater Manchester. Under the 100% Rates Retention Pilot scheme arrangements, Central Government does not receive a share of Business Rates revenues. Over the past few years, the Government has introduced a series of Business Rates reliefs. This has required the Council to receive Grants in Lieu of Business Rates as compensation for the Business Rates not billed due to the reliefs given to businesses. Each year the Council forecasts its allocation for grants in lieu of business rates for the following financial year as part of the NNDR1 return. The initial estimate for 2022/23 is £18.796m of which the Councils' share is £18.605m
- 2.17 It is important to note that as the Government has announced new Business Rates reliefs before the Business Rates Taxbase has been set (unlike 2020/21 and 2021/22), the calculated Business Rates taxbase has fallen whilst the Grants in Lieu of Business Rates has correspondingly increased.

- 2.18 Business Rates are a highly complex and volatile tax and it is exceptionally difficult to forecast movements over the short to medium term with great accuracy. Since the change to the Business Rates regime in 2013/14 and the revaluation exercise undertaken by the Valuation Office Agency (effective from 1 April 2017), much more uncertainty has been introduced into the setting of Council budgets as the tax base is prone to significant changes and can fluctuate for many reasons; the most common of which are listed below:
- Changes in liability resulting from a change in occupancy;
 - Appeals against rating decisions, the length of time it takes to conclude appeals and the requirement to make an assessment of the cost of appeals prior to settlement;
 - Demolitions and the point at which properties are removed from the rating list;
 - New builds and the point at which rateable occupation is triggered;
 - Changes in building use and alterations to building size or layout;
 - Changes in entitlement to mandatory and/or discretionary reliefs;
 - Action taken by property owners/occupiers to avoid full liability and maximise relief; particularly empty property and charitable relief;
 - Changes in Council policy in relation to discretionary rate relief;
 - Changes in the requirement to provide for doubtful debts.
- 2.19 Fluctuations in Business Rates income are also strongly linked to the performance of the wider economy. In an economic downturn there is a heightened risk of properties being left empty and lower levels of development activity. Conversely, when the economy is more buoyant, business activity and thereby rating income can increase. The continuing impact of the COVID-19 pandemic has therefore heightened the likelihood of fluctuations in Business Rates income in 2022/23.
- 2.20 The level and timing of appeals against a rateable value are perhaps the most significant factors that can have an impact on variability in yield. Appeals are dealt with by the Valuation Office Agency (VOA) and can date back many years. Recent information highlights that appeals covering around £26m of rateable value remain unresolved. Total rateable value for the Oldham Billing Area is around £156m meaning appeals currently affect approximately 17% of the overall Business Rates tax base.
- 2.21 The Check, Challenge & Appeal process introduced by the VOA has tried to incorporate a degree of consistency to the appeals submission process, whilst simultaneously seeking to limit the number of 'speculative' claims. Early indications suggest the revised process is significantly reducing the number of claims that reach the appeal stage. However, it is not clear whether the process is reducing the real number of appeals or simply causing delay. What is clear is that greater financial provision will need to be made for individual claims that reach the appeal stage as, having been through check and challenge, their probability of securing a rateable value reduction is much greater than under the previous arrangements. Furthermore, March 2022 sees the end of the current five-year rating list period. Any appeals from businesses received before this date which then prove to be successful will potentially result in businesses having a revision

to their Business Rates bills backdated to possibly April 2017. It is as yet unknown whether this will lead to a spike in business rates appeals lodged before deadline of the financial year end.

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

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

2.23 These trends/movements set against the base position form the basis of the forecast business rates outturn position for 2021/22 and forecast for 2022/23.

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

2.24 On 1 April 2017, the GMCA, Oldham Council and the nine other GM districts commenced a pilot scheme for the 100% local retention of Business Rates. Under the pilot scheme, additional rates income was initially offset by reductions in other funding streams such as Revenue Support Grant and Public Health Grant in exchange for the local retention of all future growth in Business Rates revenue (rather than just 50% as is the case with the national scheme of rates retention). The pilot scheme has delivered financial benefits for its participants. Whilst there has been some uncertainty as to the continuation of the 100% Business Rates retention piloting arrangements, the Provisional Local Government Finance Settlement announced on 16 December 2021, advised that the pilot scheme would continue for at least 2022/23. As a consequence, based on best estimates the Council has assumed benefit of £2.720m from the pilot scheme for 2022/23. The current arrangements are that the Council can retain 50% of this benefit with the balance attributable to the GMCA. The Council's share, £1.360m will be made available to support the 2022/23 budget whilst the GMCA share will be transferred to a reserve to be paid to the GMCA once the final position has been agreed. It is important to note that these figures will only be confirmed at the end of 2022/23.

GM Business Rates Pool 2022/23

2.25 Members will recall with the exception of 2020/21, Oldham has participated in Business Rates pooling since 2015/16. The aim of pooling is to retain the benefits of any Business Rates growth within Greater Manchester for the benefit of the region. An expression of interest was submitted to Government for a 2022/23 pool of all ten GM Councils.

2.26 The fact that Greater Manchester is piloting full Business Rates retention, suggests participating in Business Rates pooling is no longer necessary as there are no additional financial gains to be made. However, a decision on membership could not be taken until the contents of the 2022/23 Provisional Local Government Finance Settlement had been examined and the impact

understood. Confirmation of pool membership had to be made within 28 days of the receipt of Provisional Local Government Finance Settlement information (12 January 2022). After examining the Settlement information, a collective decision of all ten Authorities was made not to proceed with pooling for 2022/23 and the Government was notified accordingly.

Grants in Lieu of Business Rates

- 2.28 It should be noted that the Council receives significant sums from Central Government as compensation for loss of Business Rates revenue resulting from previous national policy changes such as multiplier caps and the introduction of new business rates reliefs and discounts. These grants for 2022/23 awarded under Section 31 of the Local Government Act 2003 are currently forecast to be worth around £18.796m (of which the Councils share is £18.605m). However as mentioned in paragraph 2.18 reliefs and discounts can be a particularly difficult area to forecast with changes in government policy resulting in vastly different outcomes to those originally estimated. The current forecast reflects the reliefs and discounts announced as part of the Spending Review and Budget 2021.

2022/23 Business Rates Forecast – Conclusion

- 2.29 It is important to highlight to Members that the preparation of Council Tax and Business Rates Tax bases is being undertaken in a period of unprecedented uncertainty and volatility. The COVID-19 pandemic and recent Government announcements relating to extended retail relief have continued to reduce both the Council Tax and Business Rates income collected in 2021/22 to the extent that an income deficit of £7.741m is projected for the Council at the end of 2021/22 (this is initially accounted for in the Collection Fund). However as Central Government is providing grants in lieu of business rates, specifically for the provision of Extended Retail Relief, current estimates are that there will be grant received of £9.045m which removes the deficit and allows the use of £1.304m of additional resources to support the 2022/23 budget.
- 2.30 Having considered the issues above, it is clear that many factors are outside the control of the Council. Central Government confirmation that Local Government will continue to be fully compensated for implementing policy announcements made within previous Budgets provides assurance for short-term forecasting. However, over the long term, the switch to more frequent revaluations and the ongoing results of Business Rates Retention are extremely difficult to assess. Forecasts for 2022/23 have been prepared on the basis of trends emerging from the monthly monitoring of business rates liability during 2021/22.
- 2.31 For the purposes of formal decision making, Oldham Council's share of the Business (Non-Domestic) Rates forecast for 2022/23 is presented at £48.605m a reduction of £2.013m compared to 2021/22 (reflecting the offsetting receipt of grant compensation). This represents the best estimate available at this time and is the assumption underpinning the 2022/23 budget estimates that are currently being reviewed and updated. However, assuming delegation is approved, the final Business Rates forecast for 2022/23 will be

confirmed when preparing the submission of the Council's NNDR 1 return in late January 2022. The calculation of the current forecast of £48.605m is summarised in the table below:

Forecast Business Rates Yield	2022/23 £000
Oldham Council Share (99%)	48,605
GMCA Share (for Fire and Rescue functions) (1%)	491
Total Forecast Yield	49,096

- 2.31 As advised above, in addition to the £49.096m, the Council will also precept £2.720m which is the anticipated share of Business Rate gains as a result of the 100% Business Rates pilot scheme. The Council will utilise 50% of this, a sum of £1.360m, bringing the total Business Rates funding available to the Council for 2022/23 to £49.965m.

3 Options/Alternatives

- 3.1 The Council has little discretion in the calculation of the number of properties incorporated into the Council Tax Tax Base given the legislative framework that is in place. However, there is some discretion in estimating the number of new properties that will be included on the Council Tax register during 2022/23 and the change to the number of claimants of Council Tax Reduction. A prudent view has been taken in this regard. The main area for an alternative approach is over the level of assumed collection rate. An increase in the collection rate would boost the anticipated Council Tax income and a decrease in the rate would decrease income. The Council has chosen to maintain its 2021/22 collection rate at 96.75%. This decision has been influenced by prevailing economic circumstances and current trends in collection rates.

- 3.2 The NNDR1 return generates the figures upon which the Business Rates Tax Base is prepared. It is not therefore appropriate to consider an alternative approach. However, as the figures included on the NNDR1 return on 31 January 2022 may vary from the estimated level, delegation is sought to allow the opportunity to revise the Business Rates forecast and approve a revised and more accurate position for budget setting.

4 Preferred Option

- 4.1 It is recommended that Members approve the Council Tax Tax Base of 57,450 and an estimate of the Business Rates Tax Base of £48.605m (plus a further £1.360m resulting from a Business Rates pilot scheme gain). Delegation to the Deputy Leader and Cabinet Member for Finance and Low Carbon in consultation with the Director of Finance is however sought for the final Business Rates Tax Base decision, the final estimated net business rate yield and ultimately the Council's retained Business Rate income for 2022/23.

5 Consultation

- 5.1 Indicative Tax Base information has been shared with precepting Authorities to assist them in the budget projections, subject to confirmation by this report.
- 5.2 The Council will advise the preceptors of the approved Council Tax and Business Rates Tax Bases (as appropriate) by the statutory deadline of 31 January 2022 and will submit the final NNDR1 also by that date.

6 Financial Implications

- 6.1 Dealt with in full in this report.

7 Legal Services Comments

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

8 Co-operative Agenda

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

9 Human Resources Comments

- 9.1 None.

10 Risk Assessments

- 10.1 There is a risk that if the anticipated Council Tax collection level is too high, there will a shortfall in the income anticipated. This would have an effect on the budget setting arrangements in future years. With the introduction of the Local Council Tax Reduction Scheme, collection rates are now much more difficult to assess and these will be kept under constant review however the proposed collection rate seeks to minimise the risk with a prudent approach taken to setting the collection level.
- 10.2 There is also a risk that if the anticipated level of Business Rates is not achieved it would lead to budget pressures in future financial years. Hence a prudent approach will be taken in assessing the anticipated business rates income levels.
- 10.3 There are extensive recovery procedures that will ensure that the maximum Council Tax and Business Rates income level is achieved.
- 10.4 The pandemic has increased risk in relation to both Council Tax and Business Rate collection although the position is being monitored.

11 IT Implications

11.1 None.

12 Property Implications

12.1 None.

13 Procurement Implications

13.1 None.

14 Environmental and Health & Safety Implications

14.1 None.

15 Equality, community cohesion and crime implications

15.1 None.

16 Equality Impact Assessment Completed?

16.1 Not applicable.

17 Key Decision

17.1 Yes.

18 Key Decision Reference

18.1 FLC-14-21.

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 Appendix A
Officer Name: John Hoskins
Contact No: 0161 770 1323

20 Appendices

20.1 Appendix A Calculation of the Council Tax Tax Base for 2022/23

APPENDIX A

Calculation of Council Tax Tax Base 2022/23 (Based on all properties)

Bands	A reduced	A	B	C	D	E	F	G	H	Total
Total number of Dwellings on the Valuation List		50,758	17,395	16,448	7,125	3,401	1,558	909	83	97,677
Total number of Exempt and Disabled Relief Dwellings on the Valuation List	160	(1,388)	(258)	(333)	(120)	(51)	(14)	(10)	(23)	(2,036)
No. of Chargeable Dwellings	160	49,370	17,137	16,115	7,005	3,350	1,544	899	60	95,640
Less: Estimated discounts, exemptions and disabled relief	(7.5)	(5,634.5)	(1,479.25)	(1,170.5)	(381.5)	(156.25)	(68.75)	(37.25)	(3.75)	(8,929.25)
Total equivalent number of dwellings after discounts, exemptions and disabled relief	152.5	43,735.5	15,657.75	14,944.5	6,623.5	3,193.75	1,475.25	861.75	56.25	86,700.75
Factor stipulated in regulations	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Band D equivalent	84.7	29,157	12,178.3	13,284	6,623.5	3,903.5	2,130.9	1,436.3	112.5	68,910.7
Net effect of Local Council Tax Support Scheme (LCTSS) and other adjustments – reduction in Band D Equivalents										(10,037.9)
Increase in Band D equivalents in 2022/23 based on estimates of changes in discounts & exemptions and the acceleration of planned housing/ regeneration schemes.										507
Total after LCTSS and other adjustments										59,379.8
Multiplied by estimated collection rate										96.75%
Band D Equivalents										57,450

For information: Parish Council Tax Tax Bases –

Saddleworth 8,833

Shaw & Crompton 5,548



Report to CABINET

Positive Steps Contract Extension for Targeted Youth Support lots 2 and 3.

Portfolio Holder: Cllr. Eddie Moores, Cabinet Member for Children and Young People

Officer Contact: Richard Lynch, Director for Education, Skills and Early Years

Report Author: Shirley Woods – Gallagher, AD Commissioning and Partnerships

Reason for Decision

Permissions is sought for Cabinet to exercise the existing option to extend the contract for Targeted Youth Support (TYS) Lots 2 and 3 currently held by Positive Steps for up to a further 12 months from 1st April 2022. This is within the scope of the initial contract award and therefore is within Council Corporate procedure rules.

Recommendations

The recommended option is that Cabinet extend the current TYS Lots 2 and 3 contract for up to a period of a further 12 months.

Positive Steps Contract Extension for Targeted Youth Support lots 2 and 3.

1 Background

Positive Steps currently hold two contracts within the Targeted Youth Support (TYS) service offer. Both contracts were awarded from 1 April 2020 for an initial period of two years up until 31 March 2022 with an option to extend for up to a maximum period of a further twelve months to 31 March 2023.

The contracts within scope of this report are as follows:

- TYS lot 2 – youth justice board offer
- TYS lot 3 – young carers, targeted impartial information and careers advices and missing return home interviews

An extension to both lots is being sought for up to a maximum period of twelve months up until 31 March 2023, this is within the scope of the original tender and contract award.

2 Current Position

The Council currently commissions Positive Steps to deliver a range of services to support Oldham's young people under the overarching banner of Targeted Youth Services. These include support services for young carers; delivery of missing from home return interviews; careers information advice and guidance as well as the Council's Youth Justice Service.

The current contracts end on 31 March 2022 with an option to extend for up to a further twelve months up until 31 March 2023.

A Project Board will be established to meet fortnightly with agreed Terms of Reference to oversee a robust options appraisal. Further updates will be provided to DMT at regular intervals.

3 Options/Alternatives

Option One:

TYS Lots 2 and 3 are extended for a maximum period of twelve months up until 31 March 2023. This would be within the intent of the current contract award and is within corporate procurement rules

Option Two:

Notice is given to cease either or both contracts on 31 March 2022.

4 **Preferred Option**

Option One:

TYS Lots 2 and 3 are extended for a maximum period of twelve months up until 31 March 2023. This would be within the intent of the current contract award and is within corporate procurement rules

5 **Consultation**

Consultations were undertaken as part of the original procurement and commissioning process. Further consultations will be undertaken during 2022 to develop future commissioning intentions.

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 current contract is based on the co-operative agenda of the Council and any future commissioning intentions will also reflect these principles.

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 in the standard contract.

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

The current contract delivers youth Justice Board statutory responsibilities on behalf of the council including community and prevention-based work.

16 **Implications for Children and Young People**

16.1 Statutory services for children and young people will continue from 1st April 2022 and Children and Young people will be involved in the development of any future commissioning intentions.

17 **Equality Impact Assessment Completed?**

A stage one EIA was completed as part of the original tender. Further evaluation of the impact of these services will be carried out as part of the development of future commissioning intentions.

18 **Key Decision**

Yes

19 **Key Decision Reference**

To be added

20 **Background Papers**

Non

21 **Appendices**

21.1 Non

Signed _____ Strategic Director/Deputy Chief Executive	Dated _____
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Report to CABINET

Temporary Staffing Supply Contract

Portfolio Holder:

Councillor Jean Stretton, Cabinet Member, Corporate Services

Officer Contact: Julia Veall, Director of Workforce and Organisational Design

Report Author: Catherine Pearson

Ext. N/A - catherine.pearson@oldham.gov.uk

24 January 2022

Reason for Decision

This report seeks approval for the Council to re-contract for a Temporary Staffing Supply provider from the 29 January 2022 as part of an GM HR collaboration for the reasons outlined below.

Executive Summary

The Council currently uses a temporary staffing supply provider to advertise for and engage temporary (agency) staff. This supports the Council in engaging temporary staff in a transparent and fully auditable manner.

These services are presently delivered, through contract, by REED Specialist Recruitment. The lead authority for procurement is Trafford Council. This contract is managed in collaboration with all GM Local Authorities, partner Local Authorities, GMCA and GMP. The current contract ends on 28 January 2022.

This Cabinet report sets out how the collaboration, now consisting of Blackpool Council, Blackburn with Darwen Council, Bolton Council, Bury Council, Greater Manchester Police, Greater Manchester Combined Authority (including Fire Services), Oldham Council, Rochdale MBC, Salford City Council, Stockport MBC, Trafford Council, Warrington Borough Council and Wigan Council, have retendered the contract and selected a preferred supplier.

Recommendations

It is recommended that Cabinet:

Notes the outcome of the procurement process and approves the award of the contract to REED to provide a temporary staffing supply for the next three years (with option for a one-year extension) effective from the 28 January 2022.

Temporary Staffing Supply Contract

1 Background

- 1.1 The GM HR/OD Collaboration was established back in 2008 and comprises of the 10 Greater Manchester Local Authorities plus partners. The collaboration jointly procures a number of services one of which is our temporary staffing service. The organisations use a provider to advertise for and engage temporary (agency) staff. This supports the organisations in ensuring we onboard in a transparent and fully auditable manner.

Current organisations utilising this framework are; Blackpool Council, Bolton Council, Bury Council, Greater Manchester Police, Greater Manchester Fire and Rescue Service, Oldham Council, Rochdale MBC, Salford City Council, Stockport MBC, Tameside Council, Transport for Greater Manchester, Trafford Council, Warrington Borough Council and Wigan Council.

2 Current Position

- 2.1 The joint contract has been in place for 12 years and has been held by several suppliers in this time. Our current supplier is REED Employment Agency. After a stringent procurement process via the YPO Framework the contract was awarded to REED in January of 2016 for a 4-year term. In light of the pandemic and given the size of the contract and the amount of work that would be involved in a retender process, it was agreed that we would extend the contract for a further year utilising the COVID PPN which would take us to Jan 2022. This gave our authorities the ability to keep staff focused on priority COVID work and not having to deploy staff to an intensive retender process.

- 2.2 As of October 2020, the collaboration commenced planning for the retender process in earnest, with a view to award our 4th generation of service in September 2021. Due to the size of the contract and its complexity we need in excess of 12 months to successfully tender and implement our solution.

It is understood that there will always be a need for some level of agency staffing, therefore our collaboration has expressed an interest in continuing to jointly contract an agency supplier.

The benefits that the organisations gain from being part of this framework are;

- Lower margins
- Consistent approach
- 80+ agencies included in the consortium
- Support through a fully defined and agreed hiring process
- Control and influence on temporary staffing market

- 2.3 Prior to publishing the invitation to tender, work was undertaken by the collaborating bodies to re-specify the service required. This focused on the managed service cover requirements:

-
- To operate in strategic partnership with the collaboration and, where appropriate/necessary, offer guidance on workforce planning, fulfilment methods and process governance
 - Operationally advise on agency worker need, method, engagement, and rates
 - Agency worker ordering processes including technical support
 - Supply chain management (including auditing)
 - Vacancy filling including support through the process
 - Time-sheeting
 - Invoicing
 - Issue resolution
 - Monitoring and reporting

2.4 The GM collaboration chose to procure a new agency staffing managed service via an existing, dedicated procurement framework administered by YPO. This framework allows for flexible managed service solutions and has an optimum number of capable providers. The mini competition allowed providers, by responding to the Quality Assessment Questions and Pricing Evaluation, to offer proposals for bespoke, innovative, and flexible solutions to the collaboration's strategic and operational needs.

By being awarded the right to supply through the YPO Framework, the GM collaboration is satisfied that tenderers will have already satisfied core operational and technological criteria.

2.5 The STaR Procurement Team have provided advice throughout the process, ensuring that the GM process satisfies all procurement rules and local requirements.

2.6 Supplier selection took place between the 20 July and the 19 August 2021 with all collaborating bodies agreeing the outcome of the selection process. Selection included a full bid assessment supported by Supplier Interviews and clarification. The outcome identified REED as the preferred supplier of the collaborating bodies.

2.7 Our models indicate that the new service will not cost more than the current one. This contract and ordering system/process will be key to driving reductions, compliance and developing actionable intelligence.

2.8 It's important to note that there will inevitably always be some need to engage temporary workers across the organisation. There are a number of options currently being considered in relation to how we procure our agency resource in the future and given the flexible nature of this current contract and that there is no minimum spend requirement we are able to redesign our approach within the contract period without any penalty.

2.9 The Council does have access to other established frameworks such as Bloom and ESPO when needing to recruit temporarily to more niche or senior roles. HR and procurement can support with access to these.

3 **Options/Alternatives**

3.1 **Option 1 - Do nothing**

This is not practically an option and would result in the expiration of the Council's current service provision and lead to the loss of essential services to the Council.

3.2 **Option 2 - Run a separate procurement process independently**

This would likely result in a more costly services and negate the benefits outlined in this report. This will also result in a period of service withdrawal given the timescales in which a new provider is required.

3.3 **Option 3 Join the GM HR Collaboration**

To contract the services of REED for the full contract period of three years (with option for a one-year extension). This would give the Council the operating model required to continue to engage temporary workers where required whilst working to reduce our reliance on agency staffing and consider alternative options.

4 Preferred Option

4.1 It is recommended that Oldham Council join the GM HR Collaboration and contract the services of REED for the full contract period of three years (with option for a one-year extension) on the following basis:

- The procurement process, led by a GM Procurement Manager, has been robust, inclusive of all collaborating bodies and identified a cost-effective service for all organisations including Oldham
- The Council has had significant input into the specification of the service and been represented at all stages of selection. The outcome accords with the Council's own internal assessment.
- The financial and non-financial impact of the re-commission has been modelled for Oldham with no negative impact identified.
- There is no minimum spend requirement on this contract, therefore the risk is low to the authority as we are able to reduce our agency spend without consequence.

4.2 Work will continue to reduce our reliance on agency spend over the contract period by implementing more modern and innovative ways to recruit and promoting Oldham Council as an employer of choice. In collaboration with the other Greater Manchester Authorities, we will work to share good practice and drive down spend as this is a common priority, particularly within Social Care.

5 Consultation

5.1 As the agency engagement process is now fourth generation, consultation is limited. However, Trade Union Representatives, the Unity Human Resources Transactional Teams as well as service Managers will be consulted in any operational impact of the transition to the new service specification. Full communications and any guidance required to support the change will be provided by People Services.

6 Financial Implications

6.1 The preferred option is option 3, which is to join the AGMA collaboration and award the contract for employing temporary staff to Reed. The contract will be for a period of three years with the option to extend for a further year, commencing on 29th January 2022.

The charging method for temporary staff is that Directorates are recharged with the costs of the temporary member of staff at the agreed hourly rate plus a percentage of the management fee paid to the provider. This will remain the same with the new contract and Directorates will bear all costs.

(Jenny Howarth Senior Accountant/Nicola Harrop Finance Manager)

7 Legal Services Comments

7.1 Procurement rules and the Council's Contract Procedure Rules support collaborative procurement activity. Trafford Council has procured the service provision in accordance with procurement legislation and the Council has been involved in the process. Each GM

authority will have the right to enter into call-off contracts under the overarching agreement and these will be in the advertised format and subject to pre-agreed terms and conditions. Legal Services should be engaged to assist in respect of any call-off arrangements.

(Sarah Orrell)

8. **Co-operative Agenda**

8.1 The social value element on this contract can have a significant positive impact on our residents. Examples of the successful supplier's social value contribution includes a commitment to encourage the employment of Oldham candidates where possible, long term unemployed, disabled and care leaver candidates.

REED is able to provide additional support in relation to employment support for our residents including CV writing and interview support. REED is also committed to supporting our charitable efforts for example volunteering at our community settings.

We also have the ability to work with REED to access a portion of their Apprenticeship levy funds (if all our allocation is spent).

97% of the team REED employ to manage our contract and service live in the Greater Manchester area. REED have also employed a dedicated Officer for Greater Manchester to support the maximisation of the use of the social value offer across our boroughs.

The examples mentioned here are not exhaustive and REED work with the collaboration regularly to offer social value support and are committed to working with us to develop innovative ideas to provide value to our borough.

9 **Human Resources Comments**

9.1 These are embodied in the report.

(Catherine Pearson, Strategic HR Lead)

10 **Risk Assessments**

10.1 N/A in the context of this approval report.

11 **IT Implications**

11.1 The service is designed to operate through the use of a secure online portal. However, this is compliant with IT requirements.

12 **Property Implications**

12.1 None

13 **Procurement Implications**

13.1 The Commercial Procurement Unit supports the recommendations outlined in the report. The use of a compliant framework complies with the Council's Contract Procedure Rules (clause 4.1).

(Emily Molden)

14 **Environmental and Health & Safety Implications**

14.1 None

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

15.1 None

16 **Implications for Children and Young People**

16.1 None

17 **Equality Impact Assessment Completed?**

17.1 Not required, the service will be offered equally across the Council.

18 **Key Decision**

18.1 Yes

19 **Key Decision Reference**

19.1 This item has been included on the Forward Plan under reference CS-01-21.

20 **Background Papers**

20.1 There are no background papers for this report.

21 **Appendices**

21.1 N/A

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

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