

CABINET Agenda

Date Monday 26th February 2024

Time 6.00pm

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

Notes 1. DECLARATIONS OF INTEREST- If a Member requires 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 Constitutional Services at least 24 hours in advance of the meeting.

2. CONTACT details for this agenda are available from Constitutional Services, telephone - 0161 770 5151 or via email - constitutional.services@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 Constitutional Services by 12.00 noon on Wednesday, 21st February 2024.

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

MEMBERSHIP OF THE CABINET

Councillors Ali, Brownridge, Dean, Goodwin, F Hussain, Jabbar, Mushtaq, Shah (Chair) and Taylor

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 (Pages 1 - 16)

To consider the Minutes of the meeting of the Cabinet held on 12th February 2024.

6 Proposal for use of additional Smokefree Generation funding (Pages 17 - 36)

A report which seeks approval for use of additional funding provided through a new Section 31 grant, that will be ringfenced for local authority-led stop smoking services and support, under proposed smokefree generation policy

7 Oldham Community Leisure (OCL) - Utility Benchmarking (Pages 37 - 42)

Consideration of proposals regarding the Leisure Management Contract in respect of leisure facilities in Oldham.

8 Approval to extend the Parking Contract with NSL (Pages 43 - 48)

A report reviewing the Parking Enforcement Contract with NSL to ensure the council is getting value for money and carrying out all the necessary services within current legislation.

9 Gallery Oldham - Priority Maintenance Work (Pages 49 - 54)

A report that provides information about the priority maintenance work required for the Gallery Oldham and Cabinet is requested to accept a funding offer from Museum Estates and Development Fund, detailed therein.

10 Oldham Green New Deal Delivery Partnership - Grant acceptance (Pages 55 - 70)

A report seeking approval to accept £8.7m grant funding for implementation of the Oldham Low Carbon Heat Network, as part of the Oldham Green New Deal Delivery Partnership programme.

11 Awarding of Enforcement Agent Services Contract (Pages 71 - 74)

A report detailing proposals regarding the award of the Enforcement Agent Services contract.

12 Insurance Tender Process and Award of Contract Report (Pages 75 - 78)

A report seeking delegated authority to finalise the property insurance tender for the Council and for the award of the insurance contracts.

13 Exclusion of Press and Public

To consider that the press and public be excluded from the meeting for the following five items of business, pursuant to Section 100A(4) of the Local

Government Act 1972 on the grounds that discussions may involve the likely disclosure of exempt information, under paragraph(s) 3 as defined in the provisions of Part 1 of Schedule 12A of the Act, to the Local Government Act 1972 and public interest would not be served in publishing the information.

- 14 Awarding of Enforcement Agent Services Contract (Pages 79 - 94)
 To consider the recommendations in the confidential report.
- 15 Insurance Tender Process and Award of Contract Report (Pages 95 - 100)
 To consider the recommendations in the confidential report.
- 16 Oldham Community Leisure (OCL) - Utility Benchmarking (Pages 101 - 116)
 To consider the recommendations in the confidential report.
- 17 Approval to extend the Parking Contract with NSL (Pages 117 - 128)
 To consider the recommendations in the confidential report.
- 18 Gallery Oldham - Priority Maintenance Work (Pages 129 - 242)
 To consider the recommendations in the confidential report.

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CABINET
12/02/2024 at 6.00 pm

Present: Councillor Shah (in the Chair)
Councillors Ali, Brownridge, Dean, Goodwin, F Hussain, Jabbar,
Mushtaq and Taylor

1 **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

2 **URGENT BUSINESS**

There were no items of urgent business received.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no public questions for this meeting of the Cabinet
to consider.

5 **MINUTES**

Resolved:

That the Minutes of the meeting of the Cabinet held on 22nd
January 2024, be approved as a correct record.

6 **DRAFT MINUTES OF THE GOVERNANCE, STRATEGY
AND RESOURCES SCRUTINY PANEL HELD 25TH
JANUARY 2024**

The Cabinet considered the draft minutes of the Governance,
Strategy and Resources Scrutiny Board, held on 25th January
2024. It was noted that the Scrutiny Board, in terms of the report
relating to the Revenue Budget 2024/25 and 2025/26 and the
Medium-Term Financial Strategy 2025/26 through to 2028/29,
was asking that Council approve the recommendations
contained in the Director of Finance's report.

Resolved:

That the deliberations and comments of the Governance,
Strategy and Resources Scrutiny Board, held on 25th January
2024 be noted.

7 **DRAFT MINUTES OF THE GOVERNANCE, STRATEGY
AND RESOURCES SCRUTINY PANEL HELD 8TH
FEBRUARY 2024**

Consideration was given to the Draft Minutes of the
Governance, Strategy and Resources Scrutiny Board's meeting
held on 8th February 2024, of the proposed Opposition budgets
as presented by the Liberal Democrat and Conservative groups.

The Governance, Strategy and Resources Scrutiny Board had
recommended that the Cabinet review the following three
budget reduction proposals that had been submitted by the
Liberal Democrat Group and to reject the Conservative
proposals:

- a. OPP-BR1-201 – Reconstruction of Council priorities with regards to the communications and Research Service (£0.365m).
- b. OPP-BR1-202 – Reduction in mileage budgets to reflect change in work practices (£0.055m)
- c. OPP-BR1-204 – review of car allowances to reduce the amount paid as a lump sum to staff doing zero or minimal mileage.

Cabinet considered the proposals and summarised information in relation to the Liberal Democrat proposals.

Resolved:

1. That the deliberations and comments of the Governance, Strategy and Resources Scrutiny Board's meeting held on 8th February 2024, be noted.
2. That the alternative budget proposals presented by the Liberal Democrats and Conservatives Groups be not accepted.

8

REVENUE MONITOR AND CAPITAL INVESTMENT PROGRAMME 2023/24 (MONTH 8 - NOVEMBER 2023)

The Cabinet considered a report of the Director of Finance which provided members with an update on the Council's 2023/24 forecast revenue budget position, at Annex 1 and the financial position of the capital programme as at 30th November 2023 (Month 8) together with the revised capital programme 2023/24 to 2027/28, as outlined in section two of the report at Annex 2.

The report advised that the forecast outturn position for 2023/24 was a projected adverse variance of £16.194m after allowing for approved and pending transfers to and from reserves. There are significant variances contained within the projected net overspend within three areas forecasting pressures:

- Children's Services is forecasting a pressure of £13.386m;
- Place and Economic Growth is forecasting a pressure of £5.312m; and
- Community Health and Adult Social Care is forecasting a pressure of £0.815m.

These pressures will continue to be closely monitored for the remainder of the financial year with action taken to address variances and mitigating action to be taken as appropriate and as detailed in the submitted report. Favourable variances across the remaining portfolios totalling £3.318m were offsetting these pressures in these three areas.

The forecast pressure of £16.194m at Month 8 was an increase of £1.605m on the adverse position of £14.589m reported at quarter 2. Management actions that have been approved to review and challenge planned expenditure, control recruitment and to maximise income would hopefully have an impact on the anticipated the outturn deficit position. This should be demonstrated in the update report that will be presented to Cabinet at month 9. Information on the Month 8 position of the

Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund were also outlined in the submitted report.

As reported to previous Cabinet meetings, the position on the DSG continued to improve and as at month 8 it was forecasting an in-year surplus of £2.117m, with an estimate that the year-end position will be a surplus of £3.561m. Action will continue to be taken with the aim of mitigating cost pressures and delivering and maintaining a surplus position. To assist, Oldham is taking part in the Department for Education sponsored Delivering Better Value in SEND (Special Educational Needs and Disabilities) which will provide dedicated support for the SEND Review reforms to 55 Local Authorities with historical DSG deficit issues with the aim of putting the DSG of participating Authorities on a more financially sustainable footing. There are currently no significant issues of concern in relation to the HRA. The Collection Fund was forecasting an in-year surplus of £0.805m. The Collection Fund was reported as being particularly volatile, whilst currently in surplus the position would continue to be closely monitored throughout the year as any surplus or deficit at the end of the financial year would have a direct budgetary impact in 2024/25.

The report outlined the most up to date capital spending position for 2023/24 to 2027/28 for approved schemes. The revised capital programme budget for 2023/24 is £78.633m at the close of month 8, representing a net decrease of £31.672m from the original budget of £110.305m. The actual expenditure to 30 November 2023 was £46.267m (58.84% of the forecast outturn). It is likely that the forecast position would continue to change as the year draws to a close with additional re-profiling into future years.

The Month 8 Revenue Monitor and the Capital Investment Programme 2023/24 report was presented to the Governance, Strategy and Resources Scrutiny Board on 25th January 2024, to accompany the suite of 2024/25 budget reports. The Scrutiny Board was content to note the report and commend it to this Cabinet meeting for approval.

Options/alternatives considered:

The options available to Cabinet were:

- a. To consider the forecast revenue and capital positions presented in the report including proposed changes; and
- b. To propose alternative forecasts.

Resolved:

That the Cabinet approves and commends to Council:

1. The forecast revenue outturn for 2023/24 at Month 8 being a £16.194m adverse variance.
2. The forecast positions for the Dedicated Schools Grant, Housing Revenue Account and Collection Fund.
3. The revised capital programme for 2023/24 and the forecast for the financial years to 2027/28 as at Month 8.

REVENUE BUDGET 2024/25 AND 2025/26 AND MEDIUM TERM FINANCIAL STRATEGY 2024/25 TO 2028/29



The Cabinet considered a report of the Director of Finance which provided members with the budget reduction requirement and the Administration's budget proposals for 2024/25 and a forecast of the 2025/26 position having regard to the Provisional Local Government Finance Settlement (PLGFS) published on 18 December 2023. The report also presents the financial forecasts for the remainder of the Medium-Term Financial Strategy (MTFS) period 2025/26 to 2028/29.

The submitted presented the Council's Revenue Budget for 2024/25 together with the budget reduction requirement and the Administration's budget proposals for 2024/25 including Council Tax intentions. It also provides a forecast of the 2025/26 position and the financial forecasts for the remainder of the MTFS period, 2026/27 to 2028/29. A version of the Revenue Budget 2024/25 and 2025/26 and Medium Term Financial Strategy 2024/25 to 2028/29 had been presented to the Governance, Strategy and Resources Scrutiny Board's meeting on 25th January 2024. The Board scrutinised the report and the other reports on the agenda that formed a core part of the Council's strategic financial planning framework.

Section 1 presented an introduction to the report and explained the report format. Section 2 sets out key Council Policies and Strategies including the Co-operative Council Values, Corporate Plan, Constitution and Rules of Procedure, as the framework within which the Budget has been prepared.

Section 3 of the report presented Local Government Finance developments which have an impact on 2024/25 and future years budgets. It also highlighted the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Resilience Index, the CIPFA Financial Management Code.

Section 4 presented the Local Government Finance Policy Statement 2024 to 2025 which set out the Government's intentions to assist financial planning for Councils. It also detailed the impact of the 2024/25 PLGFS which had been the sixth consecutive one-year Settlement. This included key information in relation to overall funding levels, Council Tax referendum limits and grants for 2024/25.

Section 5 presented the 2023/24 revised budget and year end forecasts. The 2023/24 revenue budget forecast outturn position (detailed at Table 5 in the report) highlighted a current unfavourable projected variance of £16.2m; which would need to be financed from reserves. This represented an addition to the general contribution from reserves of £9.5m approved by Council in March 2023, plus contributions from other earmarked reserves for specific projects/initiatives of some £7m. This meant that the total contribution from reserves in 2023/24 would be in the order of £34m: a situation that was not sustainable and

which had significantly reduced the financial resilience of the council.

Section 6 of the report presented a range of expenditure pressures that contributed to the budget gap. In total they contribute £28.7m, an increase of £13.9m compared to the forecast presented to Full Council on 1st March 2023. The expenditure pressures for 2025/26 were projected at a further £23m. The main pressures arise from pay, expenditure on Council buildings, increased demand and prices for Children's Social Care service provision and an increased demand for temporary accommodation.

Section 7 sets out the forecast impact of the payment of levies and contributions to the Greater Manchester Combined Authority (GMCA) and a levy to the Environment Agency (EA). It showed a reduction in expenditure of £2.1m in the 2024/25 budget forecast compared to the March 2023 forecast, of which £1.4m relates to bus reform expenditure deferred until 2025/26. The final levies position will be confirmed during February 2024.

Section 8 presented the impact of the PLGFS announced on 18th December 2023 in respect of central Government Grants. It also provides a commentary on the grants announced by or derived from the PLGFS. There was, it was noted, no significant change from the assumptions reported to Council in March 2023.

Section 9 sets out how the Locally Generated Income from both Business Rates and Council Tax will support the Council budget. The PLGFS confirmed referendum limits for general purpose Council Tax will remain at 3% each year from April 2024 without the need to hold a referendum. In addition, the threshold for Adult Social Care Precept (ASCP) will remain at a maximum of 2% each year from April 2024. There remains a requirement to evidence that the funds generated from this precept are used for Adult Social Care expenditure. The section sets out:

- A. The income to support the budget from Retained Business Rates and how this helps to reduce the level of budget reductions required. In total, Retained Business Rates income has increased from a forecast £50.2m to £56.3m as the Council continues to benefit from the GMCA Business Rates Retention Pilot Scheme. Most of the increase relates to increased transitional payments and a reduction in the provision in respect of appeals. The GMCA is entitled to part of this increase in Business Rates Income, currently estimated at £1.2m. The Business Rates income figure reflects the information contained within the NNDR1 Government submitted on 31 January 2023.
- B. The Council Tax position for 2024/25, advising that:
 - i. The Council Tax Base is 59,380, up from 58,500 in 2023/24 and broadly in line with the position assumed in March 2023. o A 2.99% increase in general purposes Council



- Tax increase is proposed together with a 2% increase for the Adult Social Care Precept.
- ii. An increase of 4.99% would not require a Council Tax referendum as it would be within the referendum criteria issued by the Government in the PLGFS.
 - iii. The Council proposes to continue to provide no Council Tax Empty Property Discount and increase the Empty Property Premium from 1st April 2025.
 - iv. Total Council Tax to be generated for use by the Council based on the Tax Base and the 4.99% increase (including the adult care social precept) is £116.2m in 2024/25.
 - v. The Greater Manchester Police and Crime Commissioner precept was confirmed on 30 January 2024 with an increase of £13 for a Band D Council Tax. o The Greater Manchester Mayoral General Precept (including Fire Services) will be confirmed on 9 February 2024.
 - vi. Saddleworth Parish Council agreed its precept on 18 December 2023 and Shaw and Crompton Parish Council agreed its precept on 30 January 2024. Confirmed figures are presented in the report.

Section 10 of the report outlined the impact of Collection Fund (the ringfenced account within which Council Tax and Business Rates are managed). The 2023/24 Collection Fund forecast outturn projection as outlined in the month 8 financial monitoring report produced a net surplus of £0.75m of which the vast majority was Oldham Council's share and would be available to support the 2024/25 revenue budget.

Section 11 outlined the review of previously approved 2024/25 and 2025/26 Budget Reductions agreed in the 2021/22 and 2023/24 Revenue Budget Reports and advises that there has been some reprofiling of anticipated benefits.

Section 12 detailed the proposal to use capital receipts flexibly to finance expenditure leading to transformation in the sum of £2.6m for 2024/25 and a further £2.6m in 2025/26.

Section 13 of the report looked at the revision to estimates for the financial years 2024/25 to 2025/26 compared to the position previously reported to Council on 1st March 2023. This presented a revised budget reduction requirement (before the use of reserves) of £20.6m for 2024/25 and £7.0m for 2025/26. Having regard to the proposed increase in Council Tax,

Section 14 presented the Administration's approach to balancing the budget for 2024/25 via the budget reduction process. There were a total of 34 proposals presented in accordance with Political Portfolios. These were expected to deliver savings

totalling £11.0m and to impact approximately 90 FTEs in 2024/25. The proposals also had an impact on 2025/26 of £4.8m. All the proposals were presented in summary at Appendix 5 and in more detail at Appendix 6. Assuming approval of the 2024/25 budget reduction proposals and taking into account the impact of one-off budget reduction proposals, the budget reduction requirement for 2024/25 reduces to £9.5m and 2025/26 to £2.3m, as set out at Table 17.

Section 15 of the report advised how the budget for 2024/25 would be balanced and the final position for 2025/26 as follows:

- a. The first step in balancing 2024/25 was, however, to increase the budget gap by introducing a contribution to reserves in 2024/25 of £1.2m, payable to the GMCA in relation to 100% Business Rates Pilot Gain.
- b. This increases the budget gap to £10.8m which is then balanced by the use of: £2.5m general reserves (approved as part of the 2023/23 budget); and additional general reserves of £8.3m to balance the 2024/25 budget.
- c. After all the budget adjustments and impact of the use of reserves to balance 2024/25, there remains a budget gap still to be addressed of £11.5m for 2025/26. Section 16 presents the expected level of earmarked reserves at the end of 2023/24 at £36.8m that can support the 2024/25 budget including the Balancing Budget and Fiscal Mitigation reserves for 2024/25.

Section 17 presented the Statement of Robustness, a requirement under Section 25 of the Local Government Finance Act 2003 which is the assurance by the Director of Finance on the robustness of the estimates used for the purposes of the revenue budget calculations and the adequacy of proposed reserves and balances. General reserves were recommended to be increased from £19m to £30m reflecting the increasingly volatile expenditure pressures that the Council faces and the low tax base from which the Council is able to raise additional income. A strategy will need to be developed in 2024/25 to raise the level of general reserves over the MTFS period and increase the financial resilience of the Council. The Director of Finance is able to provide Members with the necessary assurances in respect of the 2024/2025 but the Council's financial position in later years is far less certain. A more detailed commentary is provided in Section 17 and at Appendix 9, to the report.

Section 18 established the proposed fees and charges for the financial year 2024/25.

Sections 19 and 20 of the report set out the Medium-Term Financial Strategy covering the financial years 2025/26 to 2028/29 including the plans for the transformation programme, that will begin to help deliver the savings required to balance the budgets in future years.

Section 21 sets out the Council's Pay Policy Statement in accordance with the requirements of Section 38 to 43 of the

Localism Act 2011, which requires full Council consideration and approval.



Sections 22 and the remainder of the report include options to consider, consultation comments and Legal and Procurement comments in accordance with standard practice. Given the importance of delivering budget reductions and embedding the programme of transformational change, during 2024/25, a Delivery Board chaired by the Leader of the Council is intended to regularly review of the progress of existing change programmes against the delivery milestones and financial targets. It will also ensure that there is continuous emphasis on the delivery of change and the achievement of the budget reductions required in line with the three-year strategy. As advised above, the Revenue Budget 2024/25 and 2025/26 and Medium-Term Financial Strategy 2024/25 to 2028/29 was presented to the Governance, Strategy and Resources Scrutiny Board's meeting on 25th January 2024 based on the information available at that time. The Board scrutinised the report and the other reports on the agenda that form a core part of the Council's strategic financial planning framework. The Board considered in detail the Administration's 34 budget reduction proposals and was content to commend to Cabinet at a value of £11.0m in 2024/25 and a further £4.8m in 2025/26. The Board was also content with all other aspects of the report, including the proposed changes to fees and charges and therefore commended it to Cabinet. At the time of preparing this report, the Director of Finance advised that one major announcement awaited was the Final Local Government Finance Settlement. Once this is received, its impact will be incorporated into the version of the Revenue Budget 2024/25 and 2025/26 and Medium-Term Financial Strategy 2024/25 to 2028/29 report to be presented to the Council on 28th February 2024.

Options/alternatives considered:

- a. Option 1 – Cabinet accepts the 2024/25 Council Tax and ASCP increases, the 2024/25 and 2025/26 budget assumptions and resulting financial forecasts presented within the report and the budget position at Appendix 7.
- b. Option 2 – Cabinet proposes amendments to the financial forecasts which will change the resulting budget reduction requirement.
- c. Option 3 – Cabinet approves and commends to Council all the 2024/25 and 2025/26 budget proposals included in this report and the approach to the use of reserves and balances.
- d. Option 4 – Cabinet approves the fees and charges for 2024/25 as set out at Appendix 10 of the report.
- e. Option 5 - Cabinet requests that further work is undertaken on some or all of the budget proposals and fees and charges and the approach to balancing the budget and that Cabinet considers a revised position.

Resolved:

That the Cabinet approves and commends to Council:

1. The policy landscape and context in which the Council is setting its revenue budget for 2024/25.
2. The financial forecasts for 2024/25 and 2025/26 having regard to the Provisional Local Government Finance Settlement and associated funding announcements.
3. The Flexible Use of Capital Receipts at a value of £2.6m for 2024/25 and 2025/26.
4. A proposed overall 2024/25 Council Tax increase of 4.99% for Oldham Council services (2.99% for general purposes and 2% Adult Social Care Precept) resulting in the charges set out at Table 12 of the report.
5. To approve the introduction of a 100% Council Tax Premium to be levied on empty properties and second homes from 1st April 2025 as set out in paragraph 9.34.
6. The 2024/25 Budget Reduction proposals at a value of £11.0m with a further £4.8m for 2025/26.
7. The proposed use of £10.8m of reserves to balance the 2024/25 budget as set out in Table 18 of this report.
8. The proposal to draw on the Collection Fund for major preceptors of £138.1m for Borough Wide services and £116.2m for Council services (subject to confirmation).
9. The proposed net revenue expenditure budget for 2024/25 for the Council set at £298.5m as set out at in paragraph 15.6 and at Appendix 8.
10. The proposed fees and charges as set out in the schedule included at Appendix 10.
11. The level of balances supporting the 2024/25 budget to be retained at £19.8m underpinned by the agreed policy on Earmarked Reserves.
12. The draft pay policy statement included at Appendix 12.
13. The delegation to the Cabinet Member for Finance and Corporate Resources and the Director of Finance to make a final decision on the feasibility of a pensions pre-payment if it represents value for money to the Council (Section 6.2-n).

10

CAPITAL STRATEGY AND CAPITAL PROGRAMME 2024/25 TO 2028/29 AND MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

The Cabinet considered a report of the Director of Finance which set out the Capital Strategy for 2024/25 to 2028/29 and thereby the proposed 2024/25 capital programme, including identified capital investment priorities, together with the indicative capital programme for 2025/26 to 2028/29, having regard to the resources available over the life of the programme.

The report set out the Council's Capital Strategy and capital programme over a five-year timeframe. The proposed Capital Strategy and programme for 2024/25 to 2028/29 took the essential elements of the 2023/24 to 2027/28 and previous years' strategies and programmes and moved them forward in the context of the financial and political environment for 2024/25. The Strategy did include a longer-term vision, a forward look at those projects that were likely to run beyond the five-year strategy and programme period or be initiated subsequently.

This covered a timeframe for the 10 years from 2029/30 to 2038/39.



Oldham
Council

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

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

The Capital Strategy was presented at Appendix 1, to the report. It was prepared in 14 sections and ensured that Members were presented with the overall long-term capital investment policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite. The sections were:

1. The aims of the Capital Strategy and its links to the Council's Corporate Plan and the Oldham Plan (Our Future Oldham), Creating a Better Place (CaBP) Programme, Medium Term Property Strategy (MTPS), Housing Strategy (HS) and Budget and Policy Framework
2. The Principles of the Capital Strategy
3. Priority Areas for Investment
4. Affordability, Delivery and Risk Associated with the Capital Strategy
5. Knowledge and Skills
6. Treasury Management
7. Long Term Loans
8. Other Non-Treasury Investments
9. Capital Resources to Support Capital Expenditure
10. Capital Investment and Disposal Appraisal
11. The Prioritisation of Capital Requirements
12. The Procurement of Capital Projects
13. The Measurement of the Performance of the Capital Programme
14. The Capital Investment Programme Board (CIPB).

The Strategy was aligned with the Creating a Better Place programme which was focused on building more homes for the borough's residents, creating new jobs through regeneration and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go. This also incorporated the Medium-Term Property Strategy and Housing Strategy, aiming to deliver its ambition in ways that contribute to a reduction in carbon emissions in support of the Council's Green New Deal strategy.

Section 1 of the Capital Strategy highlighted the aims of the Capital Strategy and its links to the Council's Corporate Plan and the Oldham Plan (Our Future Oldham). This section of the report also describes more fully the Creating a Better Place programme (encompassing the Medium-Term Property Strategy and Housing Strategy) which is a significant element of the Council's planned Capital Expenditure over the five-year period

2024/25 to 2028/29. Annex C of Appendix 1 set out the proposed capital expenditure and financing for the period covered by the Capital Strategy, 2024/25 to 2028/29.

The Strategy also advises that the Council is proposing to continue the use of the flexibility provided by the Government to use capital receipts to fund the revenue cost of transformation. The 2024/25 revenue budget will utilise up to £2.600m of such funding from capital receipts.

The 2023/24-month-8 capital monitoring position presented alongside this report included expenditure projections that were a key determinant of the 2024/25 programme. The projected outturn spending position for 2023/24 is £78.633m. The Place and Economic Growth Directorate, which managed all of the major regeneration projects, constitutes the main area of expenditure. Prudential Borrowing provides the main source of financing (£40.644m) followed by Grants and Other Contributions (£29.069m).

Actual expenditure, to 30th November 2023, was £46.267m (58.84% of the forecast outturn), a higher spending profile than that in previous years. The position will be kept under review and budgets will continue to be managed in accordance with forecasts.

The Council has set out its capital programme for the period 2024/25 to 2028/29 based on the principles of the Capital Strategy. The Capital Programme and Capital Strategy were influenced by the level of resources considered available. The level of prudential borrowing included reflects the financing available in the revenue budget, capital receipts align with forecasts and grant funding and other contributions are based on already notified allocations or best estimates at the time of preparation. If additional resources become available, projects that meet the Council's strategic capital objectives will be brought forward for approval.

As at the month 8 the anticipated capital expenditure over the five-year life of the 2023/24 to 2027/28 strategy was £332.173m, taking 2023/24 aside (£78.633m) this leaves £253.540m for the remainder of the approved 2024/25 to 2027/28 capital programme. The capital programme includes proposed expenditure for 2024/25 of £99.683m of which the largest category is £83.226m of expenditure on regeneration, schools, transport and infrastructure projects within Place and Economic Growth Directorate. Total expenditure decreases to £81.076m, £34.838m, £35.640m and £2.000m in 2025/26, 2026/27, 2027/28 and 2028/29 respectively.

The Government is continuing to provide significant levels of grant funding. The main sources of grant income are the Towns Fund at £11.808m, Levelling Up Fund Grant of £18.273m, along with Future High Street Fund grant of £7.656m over the life of the programme. There are also considerable resources allocated to the Council via the Greater Manchester Combined

Authority (GMCA) including the Mayors Cycling and Walking Challenge Fund (£6.847m) and estimated Local Transport Programme - Highway Maintenance Grant which totals £14.292m over the strategy period.



The grant funding provided by Government can be split into two categories: un-ringfenced and ringfenced resources, as explained in Section 9 of the Capital Strategy. The majority of capital Government Grant funding is ringfenced. Resources classified as ringfenced must be utilised to finance categories of expenditure and therefore are restricted in their use. The 2023/24 capital programme relies on £33.506m of ringfenced and £10.145m of un-ringfenced grants.

As in previous years, a major source of financing remains prudential borrowing. The amount required in 2024/25 (£49.638m) includes borrowing attributed to schemes that have slipped from prior years as well as new borrowing associated with the regeneration programme. The timing of the borrowing is linked to the cash position of the Council and may therefore not mirror the spending/financing profile set out above.

There was to be a continued review of capital spending requirements as the Council has further regeneration ambitions, but affordability and deliverability will be a key consideration in this regard. It was, however, possible that the capital position may change prior to the start of 2024/25 and during the year:

- a. The outcome of specific grant bids may be announced during the last quarter of 2023/24.
- b. The outcome of specific grant bids announced during 2024/25.
- c. It is also likely that there will be new initiatives announced in 2024/25.
- d. There may also be the opportunity to bid for additional funding.
- e. The Council may identify other funding sources, including capital receipts, to finance additional capital expenditure.

Therefore, the overall capital programme position would be kept under review and any new information regarding funding allocations would be presented to Members in future reports.

There had been consultation with the members of the Capital Investment Programme Board on the proposed Capital Strategy and Capital Programme for 2024/25 to 2028/29. The proposed Capital Strategy and Capital Programme for 2024/25 to 2028/29 was presented to, and considered by the Governance, Strategy and Resources Scrutiny Board's meeting on 25th January 2024, which formed a key element of the consultation process. The Board was content to commend the report to Cabinet. Any, subsequent comments from Cabinet members will be incorporated into the report presented to Council on 28th February 2024.

Options/Alternatives considered:

1. That Members accept the proposed recommendations of Capital Strategy and Capital Programme for 2024/25 to 2028/29, Treasury Management indicators and MRP policy.
2. That Members suggest an alternative approach to capital investment for 2024/25 to 2028/29, including the revision of capital priority areas.

Resolved:

That Cabinet approves and commend to Council:

1. The Capital Strategy for 2024/25 to 2028/29 at Appendix 1 of this report and summarised at section 2.1 of the report.
2. The capital programme for 2024/25 and indicative programmes for 2025/26 to 2028/29 at Annex C of Appendix 1 and summarised at sections 2.2 to 2.6 of the submitted report.
3. The Flexible Use of Capital Receipts Strategy as presented at Annex D of Appendix 1, to the submitted report.
4. The Minimum Revenue Provision (MRP) Policy Statement 2024/25 and method of calculation and Prudential Indicators detailed in Appendix 2, to the submitted report.

11

TREASURY MANAGEMENT STRATEGY STATEMENT 2024/25 - INCLUDING THE ANNUAL INVESTMENT STRATEGY, BORROWING STRATEGY AND PRUDENTIAL INDICATORS

The Cabinet considered a report of the Director of Finance that presented the Treasury Management Strategy for 2024/25.

The report outlined the Treasury Management Strategy for 2024/25, the Annual Investment Strategy, Borrowing Strategy and Prudential Indicators. The Council was required through regulations supporting the Local Government Act 2003 to 'have regard to' the Prudential Code. It is required to produce an annual Treasury Strategy for borrowing and to prepare an Annual Investment Strategy setting out the Council's policies for managing its investments and for giving priority to security and liquidity of those investments. The 2024/25 Treasury Management Strategy for 2024/25 covered:

- a. Economic Update.
- b. Prospects for Interest Rates.
- c. The Current Balance Sheet and Treasury Position.
- d. Liability Benchmark.
- e. The Borrowing Strategy.
- f. Debt Rescheduling.
- g. The Borrowing Strategy.
- h. The Investment Strategy.
- i. Approved Counterparties, risk management and Investment Limits.
- j. Treasury Indicators which limit the treasury risk and activities of the Council

The submitted report outlined the implications and key factors in relation to each of the above Capital and Treasury Management issues and makes recommendations regarding the Treasury Management Strategy for 2024/25.

The report included the most recently available economic background commentary which reflected the position in December 2023. The proposed Treasury Management Strategy had previously been presented to the Audit Committee on 15th January 2024 and to the Governance, Strategy and Resources Scrutiny Board on 25th January 2024, to enable scrutiny of the report before it's further consideration, by this Cabinet meeting as part of the budget setting cycle. Any comments from Cabinet Members would be incorporated into the report that will be presented to Council on 28th February 2024.

Options/Alternatives considered:

In order to comply with the CIPFA Code of Practice on Treasury Management, the Council had no option other than to consider and approve the content of the report. Therefore, no options/alternatives were presented.

Resolved:

The Cabinet commends the following to Council:

1. The Capital Financing Requirement (CFR) Projections, as detailed at paragraph 2.4.1 of the submitted report.
2. The Projected Balance Sheet position, as at 31st March 2024 and future years, as detailed at paragraph 2.4.1 of the report.
3. The Liability Benchmark, as detailed at Section 2.5 4, of the submitted report.
4. The Borrowing Strategy for 2024/25, as detailed at Section 2.6 of the submitted report.
5. The Annual Investment Strategy, as detailed at Section 2.7, of the report (including counterparties and treasury limits).
6. The Treasury Management Prudential Indicators, as detailed at Section 2.8, of the submitted report.

12

HOUSING REVENUE ACCOUNT ESTIMATES FOR 2024/25 TO 2028/29 AND PROPOSED OUTTURN FOR 2023/24

The Cabinet considered a report of the Director of Finance that set out, for the Housing Revenue Account (HRA), the detailed budget estimates for 2024/25, the strategic estimates for the four years 2025/26 through to 2028/29 and the outturn estimate for 2023/24. The report also sets out the recommended dwelling, non-dwelling rents and service and concierge charges to be applied from April 2024.

The Director of Finance's report set out the HRA 2024/25, the proposed original budget and the forecast outturn for 2023/24. The opportunity was also taken to present the provisional strategic budgets for 2025/26 through to 2028/29. HRA activities were a key element of the Council's Housing Strategy (approved by Council on 10 July 2019) which aimed to provide a diverse Oldham housing offer that is sustainable and meets the needs of

different sections of the population at different stages of their lives.

After taking all relevant issues into account, the projected financial position for 2023/24 was estimated to be a £0.032m favourable variance when compared to the original budget forecast for 2023/24 approved at the Budget Council meeting on 1st March 2023. Of this variance, £0.273m is due to higher utility costs and increased unitary charges. This adverse variance is offset by £0.305m higher than anticipated brought forward balances from 2022/23.

The estimated balance at the end of 2023/24 was projected to be £20.884m. The closing financial position for 2024/25 shows an estimated HRA closing balance of £19.571m which is sufficient to meet future operational commitments and the potential financial pressures identified in the risk assessment.

The 2024/25 position has been presented after allowing for a proposed increase in dwelling rents of 7.7%, an increase in non-dwelling rents in line with individual contracts, a nominal increase of 2% on service charges and the setting of Extra Care Housing concierge charges to fully recover costs.

The majority of HRA tenants are either the recipient of Housing Benefit or Universal Credit, meaning that part or all of the increase will be covered by tenant's benefits. Coupled with the recent increase in the Local Housing Allowance, it is assumed that the proposed increase in rents will not represent an unmanageable additional financial burden to tenants. For the Council to finance the construction of any new build social housing through the HRA, it is essential that increased costs are covered by rent increases so that the HRA can remain financially sustainable.

The financial projections for the HRA over the period 2023/24 to 2028/29 show an overall reduction in the level of balances from £22.584m at the start of 2023/24 to £16.872m at the end of 2028/29. The HRA detailed budget for 2024/25 and strategic estimates for the four years 2025/26 to 2028/29 and the outturn estimate for 2023/24 were presented to the Governance, Strategy and Resources Scrutiny Board on 26 January 2024. The Committee was content to commend the report to Cabinet without amendment.

Options/alternatives considered:

The report advised that for the Council to comply with legislative requirements, it must consider and approve a budget for the HRA for 2024/25.

Two options regarding rent levels were presented in the submitted report. These options showed the comparison in rental income levels against the proposed option of a 7.7% increase:

- a. A proposed rent increase of 5%
- b. Rents to be frozen for 2024/25

Compared to a 7.7% increase, the loss to the HRA for 2024/25 in terms of rental income would be £0.262m at a 5% rent increase and £0.746m with no rent increase. This was compounded when taken over the life of the PFI contract with rental losses of £4.162m and £11.870m respectively.

Resolved:

That the Cabinet endorses and commends to Council:

1. The Forecast HRA outturn for 2023/24, as detailed at Appendix A, to the submitted report.
2. The Proposed HRA budget for 2024/25, as detailed at Appendix B, to the submitted report.
3. The Strategic estimates for 2024/25 to 2028/29, as detailed at Appendix D, to the submitted report.
4. The proposed increase to dwelling rents for all properties of 7.7%.
5. The proposed increase to non-dwelling rents as per individual contracts.
6. The proposal that service charges are increased by 2%.
7. The proposal to set Extra Care Housing concierge charges to fully recover actual costs.

The meeting started at 6.00pm and ended at 6.35pm



Report to CABINET

Proposal for use of additional Smokefree Generation funding

Portfolio Holder: Councillor Barbara Brownridge, Cabinet Member for Health and Social Care

Officer Contact: Dr Rebecca Fletcher, Director of Public Health

Report Author: Neha Lamech, Policy and Strategy Officer and Andrea Entwistle, Senior Public Health Business and Commissioning Manager

Ext. x3386

26th February 2024

Reason for Decision

To seek approval for use of additional funding provided through a new Section 31 grant, that will be ringfenced for local authority-led stop smoking services and support, under proposed smokefree generation policy.

Executive Summary

As part of their plans to create a smokefree generation the government is investing an additional £70 million per year to support local authority led stop smoking services and support. This will more than double current spending from £68 million per year, to a total of £138 million, and support around 360,000 people to quit smoking. The funding will be provided through a new Section 31 grant and will be ringfenced for local authority-led stop smoking services and support.

The additional funding to Oldham for 2024-2025 based on a 3-year average smoking prevalence of 14.96% (an estimated 26,982 smokers) will be £321,524 per year for up to 5 years covering financial periods 2024/25 to 2028/29. This will be in addition to our current spend of £339,500 per year for specialist community stop smoking support (as part of the integrated Health Improvement and Weight Management Service). There may be some variance in the amount received year on year through the grant period. We expect this to

become clearer as additional guidance is published by the Department of Health and Social Care (DHSC).

The council commission ABL Health Ltd to deliver our stop smoking service in Oldham as part of our integrated Health Improvement and Weight Management Service (Your Health Oldham). The Stop Smoking Service provides specialist stop smoking support for people who live in Oldham (or are registered with an Oldham GP) and offers evidence-based interventions, including behavioural support and access to pharmacotherapy to support quit attempts. The additional funding from the government is an excellent opportunity to enhance the offer of the current smoking cessation service and to further reach out to the local at-risk and priority groups in Oldham and support more people to quit, thus reduce smoking prevalence.

Recommendations

We recommend the use of the allocated additional funding to supplement ABL Health Ltd (Your Health Oldham), who deliver our current stop smoking service (as part of the Health Improvement Service), to bolster the current stop smoking offer, with special focus on priority groups. This will ensure that there is added capacity to a service which is currently delivering stop smoking support in the borough and will increase the provision available to improve the number of people stopping smoking and, thus, reduce the smoking prevalence and the impact of tobacco related harm.

The proposal will support the local authority to move towards our local targets for reducing smoking prevalence. Specifically, to target certain priority groups which may have entrenched smokers that are most at risk of tobacco-related harm. The recommendation will also ensure that there is sufficient capacity to support Oldham Tobacco Alliance to deliver its ambitions and will ensure there is a coproduced engagement and communications strategy that is resident focused and relevant for the borough.

Proposal for use of additional Smokefree Generation funding**1 Background**

- 1.1 Smoking is one of the biggest causes of death and illness in the UK. Every year around 76,000 people in the UK die from smoking, with many more living with debilitating smoking related illnesses. Smoking increases one's chances of developing more than 50 serious health conditions. Often resulting in higher mortality rates and more years spent in poor health due to long term conditions. Smoking is a modifiable risk factor, with strong connections to wider socio-economic determinant of health, that affects three of the major killers in Oldham, which are circulatory disease, cancer, and respiratory disease.
- 1.2 Tobacco in cigarettes is the most used form in the UK but there are other forms as well such as snuff and shisha which are used. The UK has made considerable progress in reducing the harms related to tobacco. Smoking rates have fallen, both nationally and locally, over the last few decades but smoking remains the single greatest cause of preventable death, disability, ill-health and social inequality for local people.
- 1.3 Four in five cancers are caused by tobacco use, and 90% of lung cancer is directly attributable to smoking. Up to two out of three lifelong smokers will die from smoking and smoking accounts for 1 in 6 deaths in England, with huge inequalities existing across areas and populations. In Oldham, 600 deaths and over 3,700 hospital admissions each year are attributable to smoking. On average, for every smoker who dies another thirty are suffering serious smoking-related diseases. Non-smokers are also at risk of harm through second-hand smoke exposure, especially vulnerable adults, children, and babies.
- 1.4 The benefit of a person stopping smoking is considerable to the NHS, social care and other public services. Smoking accounts for approximately 5.5% of the NHS budget. Admissions to hospital due to smoking related conditions represent a large demand on NHS resources. On average, smokers have difficulty carrying out everyday tasks like dressing, eating and walking across a room, seven years earlier than never smokers and need care support ten years earlier than never smokers. Action on Smoking and Health (ASH) estimate that the total additional spending on social care in Oldham as a result of smoking for adults aged 50 and over in 2021 was £5,960,600. This includes the costs of care for 425 individuals receiving home-based care, and 87 individuals receiving state-funded residential care.
- 1.5 Tobacco has a detrimental impact on the economy as well due to the number of working age people becoming ill from tobacco related causes. In Greater Manchester this contributes to the 30% productivity gap due to ill health. Smoking is an expensive

addiction, with each spending on average £2,451 a year on tobacco. Whilst smoking is not a root cause of poverty, the addiction, associated ill-health and loss of income it causes can significantly exacerbate and lock people and families into an intergenerational cycle of poverty and disadvantage, resulting in the widening of health inequalities. The pandemic, and now the cost-of-living crisis, has not only shone a light on these health inequalities but exacerbated them. In Oldham, the cost per quitter for the local authority commissioned specialist stop smoking service was £490 in 2019/20, which was less than the regional average and similar to the England value (£484).

- 1.6 The Marmot Review reported that smoking remains responsible for around half the difference in life expectancy we see between our poorest and most affluent communities. Smoking is far more common among routine and manual workers and people with lower incomes and is transmitted across generations due to social-norms and addiction. The more disadvantaged someone is, the more likely they are to smoke and suffer from smoking-related disease and premature death. Smoking rates are also higher among people with mental health conditions, those living in social housing, prisoners, looked-after children and care leavers, and LGBTQ+ people. Therefore, smoking is the single biggest preventable cause of health inequalities.
- 1.7 Oldham's smoking prevalence in adults is currently 10.2% (2022) – while this is a reduction from the previous year, this is more likely to do with problematic methodology used rather than an actual reduction in prevalence. We also know there is considerable variation in smoking prevalence across the borough and that in some wards, particularly those with high levels of deprivation, rates are considerably higher. The proportion of the Oldham population who have never smoked is also smaller than the national average and, whilst considerable progress has been made to reduce the proportion of women who smoke in pregnancy, numbers are still higher in Oldham than they are nationally (10.7% - Oldham, 9.1% - England, 2021/22).
- 1.8 Tackling smoking is one of the most evidence-based and effective interventions that we can take to prevent ill health. Reducing smoking prevalence would have a significant impact on improving population health, reducing demand on health and social care services and tackling health inequalities. However, smoking is an addiction most smokers were trapped into as children and young people. Two thirds of those who try smoking go on to become regular smokers, only a third of whom succeed in quitting during their lifetime. Most smokers want to quit and many more regret ever having started. Therefore, whole system action is needed to support those who want to quit and prevent people from starting smoking in the first place.

2. Current Position

2.1 National Position

- 2.2 In 2019, the Tobacco Control Plan for England, [Towards a Smokefree Generation](#), set out the Government's ambition for England to be Smokefree by 2030 (achieving smoking prevalence of less than 5%). The initial objectives of the tobacco control plan were to:
 - reduce the number of 15-year-olds who regularly smoke from 8% to 3% or less
 - reduce smoking among adults in England from 15.5% to 12% or less

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- reduce the inequality gap in smoking prevalence, between those in routine and manual occupations and the general population
 - reduce the prevalence of smoking in pregnancy from 10.7% to 6% or less

2.3 Achieving the Smokefree 2030 ambition is identified as an essential step towards increasing healthy life expectancy by five years by 2035, reducing health inequalities and levelling up the nation as set out in the statement made in January 2023 regarding the [Major Conditions Strategy](#), the Government's plan to tackle preventable ill-health and mortality in England. Smokefree 2030 is also expected to contribute to achieving one of the Prime Minister's key priorities: to cut NHS waiting lists.

2.4 In June 2022, the [independent review](#) by Dr Javed Khan into the government's ambition to make England smokefree by 2030 was published. The review provided independent, evidence-based advice to inform the government's approach to reduce the number of people taking up smoking and helping smokers to quit. The review made 15 recommendations for government to achieve a smokefree society. This included 4 critical recommendations:

- Urgently invest £125 million per year in a comprehensive smokefree 2030 programme. Options to fund this include a 'polluter pays' levy.
- Increase the age of sale by one year, every year.
- Offer vaping as a substitute for smoking, alongside accurate information on the benefits of switching, including to healthcare professionals.
- For the NHS to prioritise further action to stop people from smoking, by providing support and treatment across all of its services, including primary care.

2.5 In April 2023, the Government outlined '[The Next Eight Steps](#)' towards Smokefree 2030. These included:

- stopping the growth of vaping among children,
- introducing new help for a million smokers to quit via a 'swap to stop' programme, offering vaping as a quit aid,
- increasing enforcement of illicit sales,
- expanding access to new treatments, including unblocking supplies to licensed medicines,
- backing joined-up, integrated approaches with a particular focus on stop smoking support in Mental Health services,
- rolling out a national incentive scheme to help pregnant women quit,
- consulting on new pack inserts using modern technology,
- ensuring Smokefree is at the core of the Major Conditions Strategy.

2.6 On the 4 October 2023, the government published its policy command paper; [Stopping the Start: our new plan to create a smokefree generation](#) which outlines plans to create a smokefree generation. It includes additional funding which will be made available to Public Health teams in local authorities to bolster their stop smoking services. The government also widely consulted on proposed changes to legislation to increase the age of sale to anyone born after the January 2009 and proposed measures to tackle youth vaping.

3. [Oldham Position](#)

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- 3.1 Reducing smoking is one of the key priorities of Oldham’s Health and Wellbeing Strategy and it is our ambition to work towards a smoke-free Oldham. Smoking is identified as a key challenge facing the system in the Oldham Integrated Care Partnership’s Locality Plan and highlighted as one of the 18 core areas we need to improve and transform. High smoking rates and the need for improved support for self-management around smoking cessation were identified as key factors in the recent report by Carnall Farrar which identified priorities for addressing health and care demand and drivers of demand in Oldham.
- 3.2 In Oldham strategic tobacco control work has been driven through partnership working through the Oldham tobacco alliance. The Oldham Tobacco Alliance has been meeting regularly since it was launched in September 2021 and has made considerable progress to date. The Tobacco alliance submitted a response to the government consultation on creating a smokefree generation. In which it contributed views from partners, services and residents on raising the age of sales, proposed measures to tackle youth vaping and subsequent enforcement.
4. Additional Funding: Stop smoking services
- 4.1 As part of their plans to create a smokefree generation the government is investing an additional £70 million per year to support local authority led stop smoking services and support¹. This will more than double current spending from £68 million per year, to a total of £138 million, and support around 360,000 people to quit smoking. The funding will be provided through a new Section 31 grant and will be ringfenced for local authority led stop smoking services and support.
- 4.2 The aim of this additional funding is to ensure there is a nationwide comprehensive offer to help people stop smoking across England and to increase the number of smokers engaging with effective interventions to quit smoking. Additional funding will be provided to local authorities with the highest smoking rates to level up the communities who need the support the most and to address health disparities.
- 4.3 The funding aims to support people by:
- stimulating more quit attempts by providing more smokers with advice and swift support
 - linking smokers to the most effective interventions to quit
 - boosting existing behavioural support schemes designed to encourage smokers to quit (for example the ‘swap to stop’ scheme)
 - building capacity in local areas to respond to increased demand
 - strengthening partnerships in local healthcare systems
- 4.4 The indicative funding allocations are based on the average smoking prevalence rates for each locality over a 3-year period and use a standard funding rate per smoker. The additional funding to Oldham for 2024 to 2025 will be £321,524 per year

¹ <https://www.gov.uk/government/publications/local-stop-smoking-services-and-support-additional-funding>

for up to five years, covering financial years 2024/25 to 2028/29. This allocation is based on a 3 year average smoking prevalence of 14.96% (an estimated 26,982 smokers) The allocated funding will be in addition to our current spend of £339,500 per year on specialist community stop smoking support (as part of the integrated Health Improvement and Weight Management Service – the total annual contract value for the HIWM Service is £970,000 per year to cover all elements of the service). There may be some variance in the amount received year on year through the grant period as allocations will be based on smoking prevalence data for the preceding 3 year period which is subject to change. We expect this to become clearer as additional guidance is published by DHSC.

- 4.5 The funding criteria to receive this grant are based on:
- 1) Local authorities must maintain their existing spend on stop smoking services, based on the stop smoking service data they have submitted for the year 2022 to 2023. They should ensure they maintain this level of funding throughout the whole grant period.
 - 2) Local authorities must also comply with the reporting requirements for expenditure related to the stop smoking service by submitting quarterly reports to NHS England.

5. Stop smoking services in Oldham

- 5.1 Oldham Council currently commission ABL Health Ltd (Your Health Oldham) to deliver our community stop smoking service, as part of an integrated Health Improvement and Weight Management Service. Your Health Oldham provides specialist stop smoking support for people who live in Oldham or are registered with an Oldham GP, and offers evidence-based interventions including behavioural support and access to pharmacotherapy to support quit attempts.
- 5.2 The specialist Stop Smoking Service is responsible for direct provision of stop smoking support to key target groups including, but not limited to, routine and manual workers, care leavers/looked after children, people with poor mental health including drug and alcohol dependencies, people with long term conditions, people recently discharged from hospital and those living in the most deprived areas of the borough.
- 5.3 ABL Health has recently been successful in applying for a national Swap to Stop pathfinder grant from the government to provide vapes directly to clients who are accessing stop smoking services. Vapes will be provided alongside behavioural support to allow for the best intervention package to support a client with their quit attempt.
- 5.4 As well as offering vapes as a quit aid to all people accessing the stop smoking provision, the service will assertively target groups including who are most at risk of tobacco-related harm including routine and manual workers, those from Black and other ethnic minority communities, LGBTQ+ community, those with long term conditions and those living in the most deprivation. It is envisaged that supply of vapes will lead to an increase in the numbers accessing the service and the numbers of long-term quits.
- 5.5 The additional funding from the government as part of the Smokefree Generation policy changes, is an excellent opportunity to enhance the offer of the current

smoking cessation service and to further reach out to the local risk and priority groups in Oldham. It will enable us to:

- Put additional resources towards reaching and supporting the priority groups,
- Support the swap-to-stop schemes with additional advisor support and vape provision,
- Offer a more flexible approach for people who find it hard to quit by providing more person-centred and adapted interventions, e.g., longer session times, support up to 20 weeks, providing Reduce-to-Quit support prior to the traditional 12 week quit support,

5.6 The proposal will enhance our existing service by offering bespoke interventions to targeted groups using, tailored engagement, co-produced marketing and personalised specialist quit and peer support. The service has worked with commissioners to develop a proposal to best utilise the indicative funding allocation to enhance the existing model and offer greater capacity and dedicated provision in order to engage more people in the service and support more people to stop smoking. The model will consist of additional specialist stop smoking advisors, plus an additional dedicated worker to target and engage with entrenched smokers and those in priority groups such as men in routine and manual work, those at risk of or experiencing homelessness and LGBTQ+ communities. The proposal also includes a Systems Engagement and Training Facilitator post to build capacity in the wider health and social care and VCFSE sectors that would support the delivery of brief advice and offer streamlined signposting and referral into specialist stop smoking support as well as coordinating case-finding in primary care. Additionally, the proposal includes increased administrative capacity to manage the anticipated increase in service demand, plus an allocation to cover the additional supply of vapes (the national Swap to Stop scheme only funds starter kits). The anticipated additional annual cost for the enhanced smoking cessation delivery to be provided by ABL Health Ltd (Your Health Oldham), including all of the elements above, would be £289,824 per year. This would be in addition to the £970,000 per year ABL Health already receive for the delivery of the integrated Health Improvement and Weight Management Service, £339,500 of which is used to fund the stop smoking support element of the service.

5.7 Commissioners and ABL Health Ltd, as system leaders in tobacco control and a key partner in Oldham Tobacco Alliance, also recommend that the remaining funding allocation (circa £30,000) is used to bolster the capacity and resource available to support the Oldham Tobacco Alliance in the delivery of the Oldham Tobacco Control Action Plan. It is recommended that there would be an additional role to support the activities of the Oldham Tobacco Alliance and develop and deliver a joint engagement and marketing strategy to improve awareness of tobacco related harm and the support that is available thus increasing the number of people successfully quitting smoking, thus reducing smoking prevalence

5.8 The following are suggested draft KPI's and outcomes reporting. However, this is subject to change with the publication of further government guidance.

Quit data	
Number of referrals:	▪ >720 referrals

Number of people setting a quit date	<ul style="list-style-type: none"> ▪ >500 Quit dates set
Number of quits achieved	<ul style="list-style-type: none"> ▪ >275 quits (depending on chosen target groups)
Referral analysis	Breakdown by number of referrals by: <ul style="list-style-type: none"> • Priority group • PCN / GP practice • Gender
Training and engagement	
Training delivered	<ul style="list-style-type: none"> ▪ 12 VBA sessions delivered across Oldham per year ▪ 8 Workshops delivered to targeted communities including focusing on Shisha and alternative forms of nicotine and tobacco Report on feedback received
Alliance support	
Support for alliance survey and consultations	Evidenced through written report and presentations
Coordination of task and finish groups	4 task and finish groups
Marketing campaigns across Oldham	<ul style="list-style-type: none"> ▪ 4 recurring annual campaigns: Stoptober, World non-smoking day, Ramadhan, Smoke free homes/places and <ul style="list-style-type: none"> ▪ 2 bespoke campaigns per year e.g., around men's health, LGBTQ+

6 Options/Alternatives

6.1 *Option 1: Use additional funding to bolster the current stop smoking offer with special focus on priority groups provided by ABL Health in Oldham*

This is the preferred option. This will ensure that there is added capacity to a service which is currently already delivering services in the borough and exceeding targets. As ABL Health is already established they have good local knowledge and have adapted service delivery based on this learning. The provider has built good, trusted relationships within the community. They are well connected into other services and providers, which means referrals pathways are set up and function well to meet the anticipated service demand.

The proposal will support the local authority to move towards our local targets for reducing smoking prevalence. Specifically, to target certain priority groups which may have entrenched smokers that we have not been very successful in supporting. The proposal also identifies the importance of co-producing engagement and communications messages, ensuring that it is relevant and lands well with Oldham residents.

ABL Health is delivering well against KPIs and achieving outcomes as set out in the specification and has been flexible in responding to emerging issues and working with commissioners throughout the contract term to date. Choosing this option will also allow for a shorter implementation time as the service is already established and well-functioning in Oldham.

6.2 *Option 2: Use additional funding to tender services from another stop smoking provider.*

This option is not recommended as the current provider is delivering the service to a good standard and meeting performance indicators. Feedback from service users is positive and the service has been recognised nationally as a centre for good practice. As stated earlier, they have learnt and adapted service delivery from current experience to meet the needs of Oldham residents.

To undertake a full competitive open-market tendering process and allow sufficient time for there to be an effective mobilisation and implementation period (in the event there was a change of provider) then we would need to allow a period of 6 months. This would be a risk as the national funding implies stop smoking services across the country will be recruiting and training additional staff at the same time. A delay in the process could cause further bottle necks down the line, with foreseen shortages of specialist stop smoking advisors.

There is a risk that tendering another provider would create confusion among residents in terms of access and might result in duplication of efforts. Having two services running in parallel within the borough might have the unintended consequence of staff from one service leaving to join the other if vacancies provide better opportunities and remuneration, which in turn would cause service delivery issues.

There is also a risk that a new provider would not be able to deliver the same as the current provider for the revised budget as there would be potential start-up costs plus, we would not benefit from the economies of scale we currently do as a result of using the same provider.

6.3 *Option 3: Do not accept additional government funding to Oldham.*

Following this option poses a huge reputational risk if the council choose not to accept the additional funding and use it to tackle the borough's smoking prevalence and inequalities associated with it. It would impede Oldham in achieving our commitments to reduce smoking as this is one of the key priorities of Oldham's Health and Wellbeing Strategy and it is our ambition to work towards a smoke-free Oldham. Smoking was identified as a key challenge facing the system in the Oldham Integrated Care Partnership's Locality Plan and highlighted as one of the 18 core areas we need to improve and transform. Choosing not to use this additional funding would go against our own corporate and strategic priorities.

7 **Preferred Option**

7.1 *Option 1: Use additional funding to bolster the current stop smoking offer with special focus on priority groups provided by ABL in Oldham as per their proposal.*

8 **Consultation**

8.1 The Director of Public Health, in her statutory capacity, and Cabinet Member for Health and Social Care have been consulted and fully briefed on the proposal to expand the current stop smoking service capacity with the additional funding. The Oldham tobacco alliance has submitted a response to the government consultation to create a smokefree

generation. As part of this views were collected from Oldham residents in a survey. Youth council collected views for the consultation. The views from this consultation and contributions and priority areas on the Oldham tobacco control action plan used to inform this proposal.

9 **Financial Implications**

9.1 The preferred option (option 3.1) is to enhance the service currently being delivered by ABL.

9.2 Funding of £322k has been awarded to the Council as part of a Section 31 agreement via the Department of Health and Social Care (DHSC), which will be utilised for this proposal.

9.3 There are no adverse financial implications as a result of this request.

(Jenny Howarth Senior Accountant/Matt Kearns Finance Manager)

10 **Legal Implications**

10.1 The intention is to vary the contract to increase the quantity of smoking cessation services for most of the remaining term which will have the effect of increasing the total contract spend by circa 13.3%. Such a modification is permissible under Regulation 72 (c) of the Public Contract Regulations 2015 as reproduced below. A variation to the tripartite contract (between ABL, NHS Oldham CCG and the Council) will need to be executed to vary the specification and charges and make the requirement provide the additional services and payment of the additional charges dependent upon the Council receiving the expected additional funding

(Mark Hope)

11. **Co-operative Implications**

11.1 The additional funding for ABL's service enhancement, as with all Public Health commissioned services, fully supports the delivery of Corporate Plan objectives of residents first, place-based working, digitisation and a preventative approach. The commissioning of the service and model of delivery is consistent with the commitment within the Oldham Plan to take a person and community centred approach, focusing on prevention.

(James Mulvaney)

12 **Human Resource Implications**

12.1 This will have no implications for human resources from the council. The decision will only have HR for ABL, our provider as they will need to recruit to deliver increased activity as outlined in their proposal.

13 **Risk Assessment**

13.1 There is a risk that if the additional funding is not used to enhance service capacity and target key groups that smoking prevalence might rise in Oldham. This comes with the added long-term risk of increased service pressures created by people experiencing long term conditions to health and social care services, many of which are linked to smoking. The additional funding will help to alleviate this risk. There is a risk that recruitment of staff might be delayed due to the anticipated increased national demand for specialists in this area. This additional grant money is being offered to all local authorities nationally who will be recruiting trained staff. Consideration should be given to providing notice of the acceptance of the funding to the provider at the earliest opportunity to aid

with their recruitment exercise. The service will need to ensure that the terms and conditions of the grant funding agreement are complied with for the provision of the grant and also ensure that ABL Health Ltd continue to provide regular monitoring reports in relation to the KPIs and outcomes.

(Vicki Gallacher, Head of Insurance and Information Governance)

14 **IT Implications**

14.1 None

15 **Property Implications**

15.1 None

16 **Procurement Implications**

16.1 Commercial procurement Unit accepts the rationale in this report to grant monies to ABL Health Ltd to provide additional funding through a new Section 31 grant, that will be ringfenced for local authority-led stop smoking services and support, under smokefree generation policy. Regulation 72(1)(b) provides:

72.— (1) Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases: —

- (b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—
 - (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and
 - (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, the value of the proposed modification is less than 50% of the value of the original contract.

(Mohammad Sharif, 20/12/2022)

17 **Environmental and Health & Safety Implications**

17.1 None

18 **Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

18.1 None

19 **Equality Impact Assessment, including implications for Children and Young People**

19.1 Yes, this is attached in appendix 1.

20 **Key Decision**

20.1 Yes

21 **Key Decision Reference**

21.1 Reference number: HSC-20-23.

22 **Background Papers**

22.1 None

23 **Appendices**

23.1 Appendix 1 – Impact Assessment Smokefree Generation additional funding

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Proposal for additional national tobacco control funding

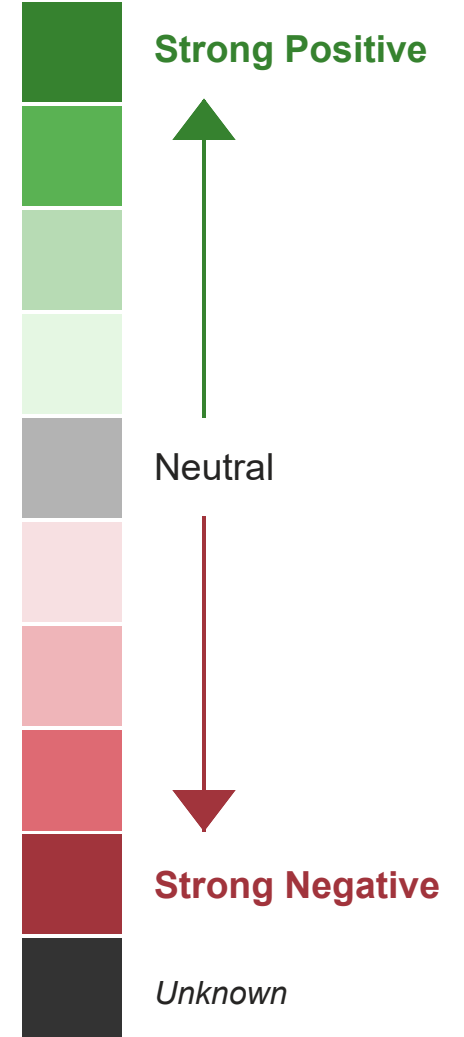
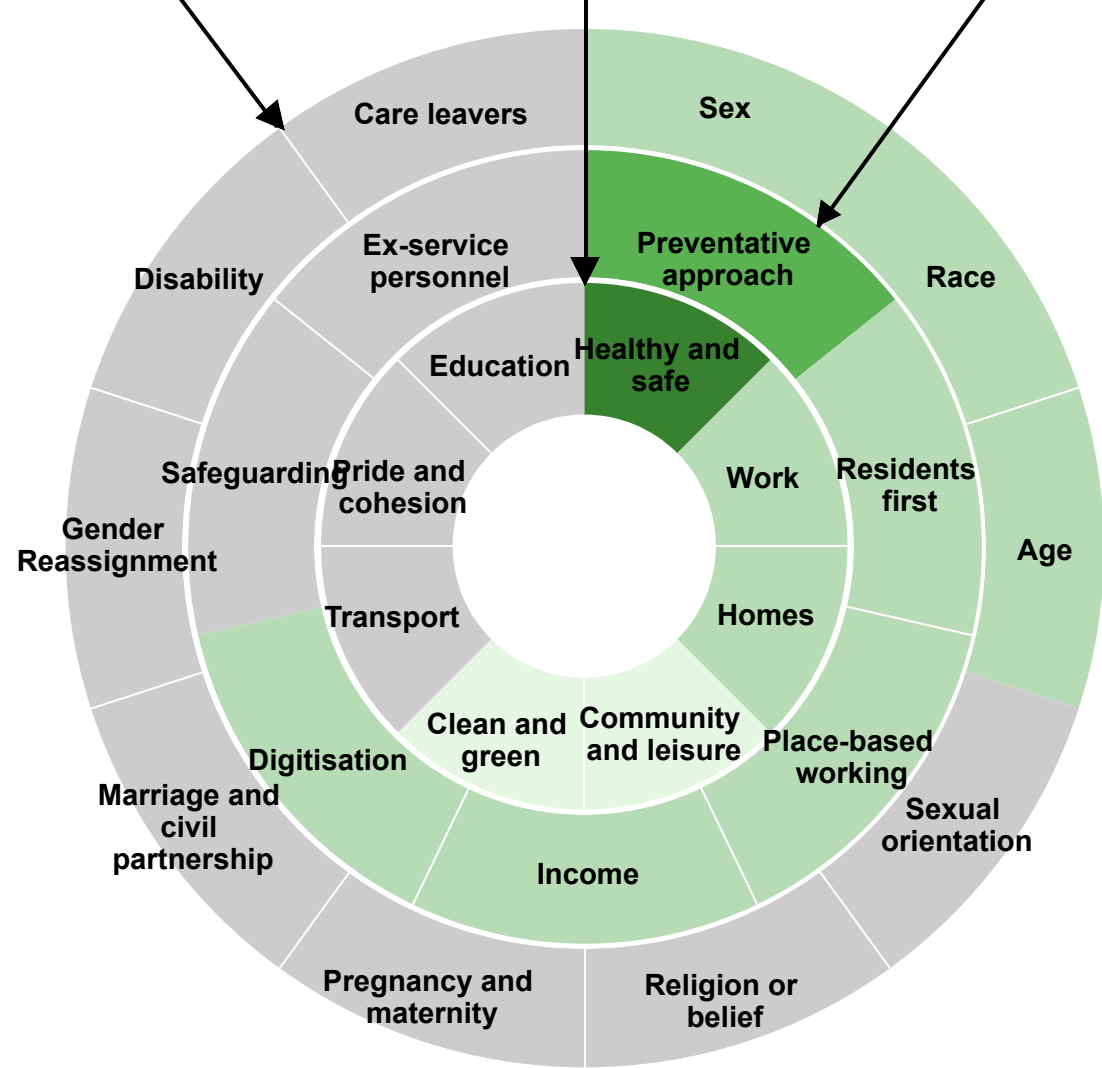
completed/last updated by Neha Lamech on 15/12/2023

Portfolio	
Health and Social Care	
Directorate	
PPL (People Services)	
Service/Team	
PPL - Public Health	
Is this IA related to a Budget Reduction proposal?	<input type="button" value="No"/>

Equality Characteristics

Future Oldham Aims

Corporate Priorities



Equality Characteristics

Category	Impact	Likely	Duration	Impact Score	Comment
Care leavers	Neutral	Possible	Short Term	0	
Disability	Neutral	Possible	Short Term	0	
Gender Reassignment	Neutral	Possible	Short Term	0	
Marriage and civil partnership	Neutral	Possible	Short Term	0	
Pregnancy and maternity	Neutral	Possible	Long Term	0	
Religion or belief	Neutral	Possible	Short Term	0	
Sexual orientation	Neutral	Possible	Short Term	0	
Age	Moderate Positive	Possible	Long Term	2	It is likely that interventions will be aimed at people who are middle age, specifically men who will benefit positively from this decision.
Race	Moderate Positive	Possible	Long Term	2	We know that BAME and ethnic minority groups are dominant among routine and manual workers, who are a key target population in this proposal.
Sex	Moderate Positive	Possible	Long Term	2	Men in routine and manual work are a key focus group for intervention and are expected to benefit from this decision.

Corporate Priorities

Category	Impact	Likely	Duration	Impact Score	Comment
Ex-service personnel	Neutral	Possible	Short Term	0	
Safeguarding	Neutral	Possible	Short Term	0	
Digitisation	Moderate Positive	Possible	Long Term	2	The service provides a digital offer and support through an app.
Income	Moderate Positive	Possible	Long Term	2	Social deprived groups will be targetted. Smoking is known to be a drain on income so we expect this decision to have a positive benefit in economic savings to the person and the system in the long term.
Place-based working	Strong Positive	Possible	Short Term	2	Specialists and services will build capacity in areas making it easier to access support closer for e.g primary care. In some cases services will be co-located again bringing them closer to people.
Residents first	Moderate Positive	Possible	Long Term	2	Services will be designed to meet the needs of residents. Communications and engagement will be co-produced with residents.
Preventative approach	Strong Positive	Possible	Long Term	4	The service is aimed at preventing the development of serious illness and complications as a result of tobacco use and smoking.

Future Oldham Aims

Category	Impact	Likely	Duration	Impact Score	Comment
Education	Neutral	Possible	Short Term	0	
Pride and cohesion	Neutral	Possible	Short Term	0	
Transport	Neutral	Possible	Short Term	0	
Clean and green	Moderate Positive	Possible	Short Term	1	Reduction in littering from smoking and tobacco products, as well as second hand smoke.
Community and leisure	Moderate Positive	Possible	Short Term	1	Reduction in littering from smoking and tobacco products, as well as second hand smoke.
Homes	Moderate Positive	Possible	Long Term	2	A reduction in smoking prevalence might increase the quality of air within people's homes and reduce second hand smoke.
Work	Moderate Positive	Possible	Long Term	2	Will have a positive impact on absence and sick days taken due to smoking related illnesses.
Healthy and safe	Strong Positive	Very Likely	Long Term	8	Improved health of residents and their families through physical benefits of stopping to smoke as well as increased finances available. Demand reduction on health and social care services due to reduction in need.

Negative Impacts

Category	Impact	Likely	Duration	Impact Score	What action can be taken to mitigate the potential negative impacts?	Action(s)	Owner(s)	Timescale(s)	If the negative impacts can't be mitigated, why should the project/decision proceed?
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Strong Positive Impacts that are Possible

Category	Impact	Likely	Duration	Impact Score	What action can be taken to increase the likelihood that positive impacts are realised?	Action(s)	Owner(s)	Timescale(s)
Place-based working	Strong Positive	Possible	Short Term	2	Specialists and services will build capacity in areas making it easier to access support closer for e.g primary care. In some cases services will be co-located again bringing them closer to people.	Specialists and services will build capacity in areas making it easier to access support closer for e.g primary care. In some cases services will be co-located again bringing them closer to people.	Neha Lamech	-
Preventative approach	Strong Positive	Possible	Long Term	4	The service is aimed at preventing the development of serious illness and complications as a result of tobacco use and smoking.	The service is aimed at preventing the development of serious illness and complications as a result of tobacco use and smoking.	Neha Lamech	-



Report to CABINET (Part A)

Oldham Community Leisure (OCL) – Utility Benchmarking

Portfolio Holder: Cllr Peter Dean, Cabinet Member for Communities and Culture

Officer Contact: Rebecca Fletcher, Director of Public Health (Interim)

Report Author: Pritesh Patel, Sport Leisure & Wellbeing Service Manager

Date: 26th February 2024

Reason for Decision

Oldham Council and Oldham Community Leisure Limited (OCL) are party to a Leisure Management Contract in respect of leisure facilities in Oldham, which commenced on 28 March 2013 for an initial term expiring on 31 March 2023 (Contract) and a plus 5 year option. This was extended for a period of up to 5 years up to 31 March 2028.

Increasing utility costs for Leisure Centres has and will further have impact on the ability of OCL to be financially viable. Under clause 20 of the Contract, it states that the utility benchmarking exercises shall be carried out in accordance with Schedule 18 (Utilities Benchmarking). Utilities Benchmarking can be carried out where there are extraordinary fluctuations in the utility market. OCL have served notice on the Council invoking the Utility benchmarking clause in the Contract and the details are included in Part B of the report

Executive Summary

The Contract with OCL provides that, if, at any time prior to the next Cost Benchmarking Date (each second anniversary following the 28 March 2013 commencement date), either party believes that extraordinary fluctuations in the utility market have resulted in the requirement for a Cost Benchmarking Procedure, that party must issue a notice in writing to that effect to the other party. Both parties must meet (but with no obligation to act) within ten (10) Business Days of the date of the notice to discuss the extraordinary utility market fluctuations and the possibility of agreeing a Cost Benchmarking Procedure.

There have been ongoing discussions with OCL regarding increased energy costs for both gas and electricity in 2022/23 and now 2023/24. OCL have provided detailed figures and

the last estimate, which is based on September billing, is that the increased cost above the benchmarking threshold is included in Part B of the report.

We have also had internal discussions with Finance and Legal colleagues since 2022/23 to understand the Utility benchmarking provisions in the Contract and it has been concluded that OCL has the contractual right to undertake a benchmarking exercise due to the fluctuations in the utility costs, which they have done so. The Council could refuse to agree the Utility Benchmarking, but this could have serious consequences on the financial stability and ability of OCL to operate as a leisure provider. We have also recently secured £0.5m of external funding from Sport England to support these revenue costs.

Recommendations

Option 1

(a): The Cabinet accept the requirement for Utility Benchmarking under the terms of the contract and work with OCL to ensure they are able to afford the utility bills and continue to provide an extensive leisure offer.

(b) It is estimated that costs under the contract will increase as a result of the benchmarking exercise and the details are included in Part B of the report. The Cabinet agrees to make the payment that is payable under the terms of the contract in line with the cost figure.

Other options are presented in the main body of the report, but these are our recommendations.

Oldham Community Leisure (OCL) – Utility Benchmarking**1 Background**

1.1 Oldham Council and Oldham Community Leisure Limited (OCL) are party to a Leisure Management Contract in respect of leisure facilities in Oldham, which contract commenced on 28 March 2013 for an initial term expiring on 31 March 2023 (Contract) and a plus 5 year option. This was extended for a period of up to 5 years up to 31 March 2028.

1.2 Increasing utility costs for Leisure Centres has and will further have impact on the ability of OCL to be financially viable.

1.3 Under clause 20 of the Contract, it states that the utility benchmarking exercises shall be carried out in accordance with Schedule 18 (Utilities Benchmarking).

1.4 Under paragraph 1.3 of Schedule 18 of the Contract it states:

If, at any time prior to the next Cost Benchmarking Date, either party believes that extraordinary fluctuations in the utility market have resulted in the requirement for a Cost Benchmarking Procedure, it must issue a notice in writing to that effect to the other party. Both parties must meet (but with no obligation to act) within ten (10) Business Days of the date of the notice to discuss the extraordinary utility market fluctuations and the possibility of agreeing a Cost Benchmarking Procedure prior to the Cost Benchmarking Date at each party's discretion if the parties agree to an early Cost Benchmarking Procedure the date of that agreement is herein referred to in the Early CBP Date. For the avoidance of doubt, the Cost Benchmarking Procedure will not take place if both parties, acting reasonably, are not in agreement that it should take place prior to the next Cost Benchmarking Date.

1.5 The Cost Benchmarking Date occurs each second anniversary of the 28 March 2013 commencement date.

1.6 OCL has served notice on the Council under the above and subsequently carried out the Cost Benchmarking Procedure in accordance with the Contract for the 2022/23 financial year and now the 2023/24 financial year.

1.7 OCL have provided the results of the Cost Benchmarking Procedure to the Council and the last estimate, which is based on September billing, is included in Part B of the report. OCL have also been supporting council colleagues in bids for energy efficient funding and energy efficient measures including the Public Sector Decarbonisation Scheme and the Swimming Pool Support Fund.

1.8 The Cost Figure is defined in the Contract as follows:

means the difference between:

(a) for the first Cost Benchmarking Procedure, the Base Utility Cost and for each Cost Benchmarking Procedure thereafter, the Actual Utility Cost agreed or determined at the last Cost Benchmarking Procedure; and

(b) the Actual Utility Cost;

as may be agreed or determined by the Cost Benchmarking Procedure;

1.9 The Council is required to confirm to OCL if it accepts the Cost Benchmarking Proposal.

1.10 If the Council accepts the Cost Benchmarking Proposal, paragraph 3.1 of Schedule 18 provides that, *the Annual Payment shall be adjusted by the full amount of the Cost Figure*

and such adjustment shall be effective from the Cost Benchmarking Date or Early CBP Date (as the case may be) and, as appropriate, backdated to such date.

- 1.11 If the Council rejects the Cost Benchmarking Proposal, the Dispute Resolution procedure laid down in the Contract will apply and this could have serious consequences on the financial stability of OCL and their ability to operate as a leisure provider.
- 1.12 To mitigate the impact of the cost increases, the Council has the right, under paragraph 4 of Schedule 18, to provide to the Contractor a detailed written quotation which identifies a cheaper appropriately regulated utility supplier than that proposed by the Contractor and the Contractor shall contract with the supplier identified by the Authority (where the Contractor's existing contract with its existing supplier expires or may be cancelled without penalty). The Contractor shall have the option to contract with its own utility supplier provided that any cheaper tariff (which is available to the Contractor (whether they take it or not)) identified by the Cost Benchmarking Procedure shall be the unit cost used to calculate the Actual Utility Cost and the Cost Figure.
- 1.13 Link to Corporate Plan and Priorities:
- 1.13.1 - Healthy, safe & well supported residents
 - 1.13.2 - A great start & skills for life
 - 1.13.3 - Better jobs and dynamic businesses

2 **Current Position**

A summary of the current position is included in Part B of the report

3 **Options/Alternatives**

- 3.1 Full option implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 26th February 2024.

4 **Preferred Option**

- 4.1 That Cabinet considers the detailed report in Part B of the agenda.

5 **Consultation**

- 5.1 n/a

6 **Financial Implications**

- 6.1 Full financial implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 26th February 2024

7 **Legal Implications**

- 7.1 Full legal implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 26th February 2024

8. **Co-operative Implications**

- 8.1 In terms of our Council Co-operative Charter, we work with OCL to ensure that they will deliver in line with our FORWARD values.

8.2 The company is an Oldham based company that employs local people, and also gives opportunities for local people to volunteer, have work experience and complete apprenticeships and other training.

9 **Human Resource Implications**

9.1 None – No workforce implications (Andrea Dickinson)

10 **Risk Assessments**

10.1 Full risk implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 26th February 2024

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 None

13 **Procurement Implications**

13.1 Full procurement implications are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 26th February 2024

14 **Environmental and Health & Safety Implications**

14.1 None

15 **Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

15.1 Continuing to ensure that activities and facilities are available for Oldham residents and communities, ensure that we continue to provide the same opportunities for people of different ages and backgrounds to interact with each other. This can have a positive impact on community cohesion.

15.2 Ensuring that we continue to provide fair and equitable access to services and facilities.

16 **Equality Impact Assessment, including implications for Children and Young People**

16.1 Yes

16.2 An Equality Impact Assessment has been completed and there are no positive or negative impacts of this recommendation on any of the characteristics, priorities or aims. The recommendation in this report should still proceed with no positive or negative impacts, as it is a legal obligation of the contract with OCL. Another Equality Impact Assessment was completed for the March (2023) Cabinet Report on the OCL Contract Extension which shows a number of positive impacts.

16.3 The full version of the impact wheel with all comments report is included as an appendix below (Appendix 20.2)

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 EE-01-23

19 **Background Papers**

19.1 None

20 **Appendices**

20.1 Appendices are outlined in a separate report that will be considered in Part B for the Cabinet Meeting on 26th February 2024



Part A - Report to CABINET

Approval to extend the Parking Contract with NSL

Portfolio Holder:

Cllr Arooj Shah, Leader of the Council and Cabinet Member for Reform & Regeneration

Officer Contact: Emma Barton, Deputy Chief Executive (Place)

Report Author: Paul Osbaldiston, Corporate Facilities Manager, Angela Lees, Parking Client Manager.

Ext. 3938

26th February 2024

Reason for Decision

Oldham Council are working with a parking consultant to review the Parking Enforcement Contract with NSL to ensure the council are getting value for money and carrying out all the services within current legislation. The review by industry experts will allow the Council to benefit from good industry practices and maximise the services provided to Oldham residents. To deliver these benefits additional time is needed to ensure all aspects of the service have been reviewed. An extension to the existing Parking Enforcement Contract with NSL is required to deliver the review and then, depending on the outcome, the retender of the external contract, depending on the outcome of the review.

Executive Summary

The current Parking Enforcement Contract with NSL is due to expire in June 2024. To ensure that the Council are receiving value for money it would be prudent to conduct a service review to explore whether it would be appropriate to bring the service in house or if the Council should continue with an external contractor. To do this, the existing Parking Enforcement Contract with NSL needs extending to allow the council to work with industry experts (Parking Matters) and review the current service provision and potentially to support the writing of a tender for future parking services in Oldham.

Recommendations

The recommendation is to approve the extension to the Parking Enforcement Contract with NSL for a period of 12 months to allow the service review to ensure the council improve the parking service in future for Oldham Residents.

Approval to extend the Parking Contract with NSL**1 Background**

- 1.1 NSL have operated the parking services and enforcement contract throughout the Borough of Oldham since 2004 and subsequently entered into a Managed Service Agreement on 25th June 2009 for a 10-year period, with the potential to extend the agreement for a further 5 years subject to satisfactory KPI performance. Monthly meetings are held with NSL to monitor their KPI's and as a result they have had their contracts extended to the full term of their original contract which expires 25th June 2024.
- 1.2 Parking Matters are team of industry experts who have been engaged to review the current operating model of the service and advise the council on the options for future delivery to ensure that value for money is achieved from any contract as well as driving potential sources of income. The current contract with NSL must be extended to allow time for the service review and recommendations to be implemented. The council will work closely to look at every aspect and will include items that have been flagged by the parking team as issues such as specialised IT systems, school crossing patrol and variable time enforcement to be more proactive rather than reactive. Using innovation will increase cost effectiveness and make the council operationally more effective.

2 Current Position

- 2.1 The Parking Service are working with consultants to review the Service, examining various options of delivery to maximise the potential for Oldham. The review will determine options and a recommendation, which is likely to be to either bring the service in house or re-tender the contract. Both the review and the preparing a tender will take time, and it is therefore necessary to extend the current Parking Enforcement Contract. By extending the contract will provide a professional impartial view of how the council are delivering the parking service in line with other authorities and professional expertise as they have much wider knowledge and experience in this field. They will identify points for improvement to include new technologies and legislation changes since the last time the contract was tendered.
- 2.2 In order to help with these timescales the parking service would need to seek an extension to the existing NSL contact, but in summary, there are two options which are explained below:
- To modify and extend the contract with NSL for 6 months to allow the extra time to work with Parking Matters to review the full service and then have sufficient time to either re-tender Parking Enforcement Services or bring the services in house once the recommended option is clear. Oldham Council will start to look at Moving Traffic offences over the next few months and it could be detrimental if this started and then had to break and change the enforcement team halfway through implementation. This would be subject to NSL agreeing an extension. The value of this extension would continue to be paid from the parking budget.
 - To modify and extend the contract with NSL for 12 months as this would have more benefit to NSL and it would enable the Council to either re-tender Parking Enforcement Services or bring the services in house and allow adequate time to seek full Council approval for the arrangements. Moving Traffic offences will increase the work carried out by the enforcement team and a 12-month extension would help in mobilising and ensuring this is running smoothly. The costs of this 12-month extension to contract would covered by the parking budget already set. This is preferred course of action.

3 **Options/Alternatives**

3.1 **Option 1**

Do nothing – Tender the contract without a service review and this would not give the overall benefits of a new way of working for Oldham Council nor learning from Industry Standards.

3.2 **Option 2**

Extend the current Parking Enforcement Contract with NSL for a period of 6 months as per the detail above. This is not beneficial to NSL, and they would have to agree to this way forward. This may impact on implementation of Moving Traffic as it would be in infancy stage if the council extended for 6 months only.

3.3 **Option 3**

Extend the current Parking Enforcement Contract with NSL for a period of 12 months which would be more beneficial to NSL and allow them to manage the contract fully while Oldham Council carries out the full review of the service. This option will benefit Oldham in the long term as it will allow the council to implement Moving Traffic and be in a position where any teething troubles will be dealt with through the same enforcement team.

4 **Preferred Option**

4.1 The preferred option would be Option 3 which would allow the council plenty of time to work with the Parking Consultant, implement Moving Traffic enforcement and review the full parking service for Oldham.

5 **Consultation**

5.1 Oldham Council Parking Team who manage the current contract.
NSL who provide the service currently.
Oldham procurement team to look at options for using the Parking Consultant and extending the contact.
Parking Matters

6 **Financial Implications**

6.1 Contained within the Part B Report (John Hoskins)

7 **Legal Implications**

7.1 Legal Services supports the recommendation based on the comments provided in the Report and by the Procurement team. Rational has been made for the extension and exemption in compliance with the Council's CPR and Public Procurement Regulations.

(Sukie Kaur – Solicitor)

8. **Co-operative Implications**

8.1 None. The proposals relate to the extension of an existing contract.

(Amanda Richardson)

9 **Human Resource Implications**

9.1 None

10 **Risk Assessment**

- 10.1 The service wishes to appoint a contractor to assist with options in relation to the parking services. There are financial and technological risks in going to tender without full knowledge of the scope and changes available to the service since the last tender and this will enable the tender to provide an enhanced and value for money service to the Council. The contract is due to expire in June 2024, the contract should be checked to see whether it is possible to provide a further extension under the current arrangements or whether the appointment of a parking consultant can be expedited and a report provided with enough time to consider the procurement in line with the contract expiry date. Consideration to the procurement risk is provided in the legal and procurement comments.

(Vicki Gallacher - Head of Insurance and Information Management)

11 **IT Implications**

- 11.1 IT supports the recommendation based on the comments provided in the report. The length of time to review, assess and implement any new IT system(s) and/or interfaces where applicable should not be underestimated and therefore the longer period is recommended.

(Lindsey Al-Basri – Head of IT Projects)

12 **Property Implications**

- 12.1 There are no direct implications for the Council's assets from extending the NSL contract. However, the parking review is a critical piece of work to determine the council's options for driving up income from the car parking assets and that parking service is delivering against the corporate objectives.

(Katy Webster AD – Property & Projects)

13 **Procurement Implications**

- 13.1 The current contract with NSL Ltd does not have any further extension periods available so should the recommendation be approved, the modification process as outlined at clause 17 of the Council's Contract Procedure Rules should commence. Under clause 17.1(e) modifications are permissible provided it is not substantial within the meaning of Rule 17.2. The modification proposed does not meet the criteria in rule 17.2 particularly clause (f) where increases to the contract value are not permissible by more than 10%.

Going forward the Commercial Procurement Unit will support the Car Parking team in the forthcoming tender process for a new service provider ensuring the procedure is in line with the Council's Contract Procedure Rules and Public Contract Regulations 2015.

(Emily Molden)

14 **Environmental and Health & Safety Implications**

- 14.1 No environmental comments required

(Andrew Hunt)

14.2 Health and Safety critical documentation such as previous convictions or enforcement notices, risk assessments, safe systems of work etc. have not been assessed by the health and safety service as these checks must be undertaken by the relevant project manager. The Health and Safety Team can be contacted for advice if needed.

(Samantha Cox)

15 **Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

15.1 None.

(Lorraine Kenny, Head of Community Safety Services)
(Natalie Downs, Stronger Communities Manager)

16 **Equality Impact Assessment including implications for Children and Young People**

16.1 Completed and attached as appendix A

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 NEI-01-24

19 **Background Papers**

19.1 No background papers to this report

20 **Appendices**

20.1 Appendix A – Impact Assessment

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Report to CABINET

Gallery Oldham – Priority Maintenance Work

Portfolio Holder: Cllr Arooj Shah, Leader and Cabinet Member for Reform & Regeneration.

Officer Contact: Emma Barton, Deputy Chief Executive (Place)

Report Author: John Winterbottom – Divisional Manager

26th February 2024

Reason for Decision

This paper provides information about the priority maintenance work required for the Gallery Oldham. Cabinet is requested to accept the funding offer from Museum Estates and Development Fund (MEND) as detailed within the body of this report. Cabinet is also requested to note the scale of investment required to the Gallery Oldham and approve the appropriate budget to proceed with the identified priority maintenance work.

Executive Summary

Significant funding is required to address the priority maintenance work in respect of the Gallery Oldham over the next 4 years covering 2023–2027. The essential work has been identified through a detailed Asset Management Condition Survey report recently completed (April 2023). The report forecasts the priority maintenance work over the next 4 years.

The Council have received confirmation of a successful bid for MEND funding that is ringfenced for limited aspects of the identified priority maintenance work.

Recommendations

The recommendation is for Cabinet to accept the MEND funding and approve the budget to progress the required works in accordance with the Council's Contract Procedure Rules. This will assist to maintain and facilitate improved functional use of the Gallery Oldham whilst mitigating relevant operational, health and safety risks in addition to reducing future energy consumption through introducing greener technologies for replacement plant and equipment.

Cabinet

26th February 2024

Gallery Oldham – Priority Works

1 Background

- 1.1 The Council has identified that priority work involving maintenance and investment exists at the Gallery Oldham. The identified work is prioritised to maintain the operational use and value of the Gallery Oldham and to mitigate risks associated with statutory compliance, health and safety and further consequential damage with associated additional costs.
- 1.2 Greater Manchester Combined Authority (GMCA) recently funded and commissioned a feasibility study of 8 x Oldham Council assets including Gallery Oldham to identify energy efficiency measures to support Decarbonisation and the wider Green New Deal agenda. A feasibility report completed by Anthesis (Appendix B) was supplemented with an asset management condition survey (Appendix A) that further identified essential maintenance work across a 5-year outlook. The condition survey report identified priority works required within the next 4 years.
- 1.3 Approval has previously been provided to submit an 'Expression of Interest' (EOI) to the Museum Estates and Development Fund (MEND) for a grant that will allow a range of urgent maintenance and improvements to Gallery Oldham.
- 1.4 The MEND programme is an Arts Council managed capital fund targeted at non-national accredited museums and local authorities based in England. The programme provides funding to apply to undertake vital infrastructure and urgent maintenance backlogs which are beyond the scope of day-to-day maintenance budgets.
- 1.5 The Council was notified that the 'Expression of Interest' submission was successful, the Council was subsequently invited to submit a 'full application' which was made on 18th August 2023. Approval was provided in advance by CIPB on 29th June 2023 to submit the full application.
- 1.6 A 'formal' decision from MEND will be announced in March 2024. Activities must commence no earlier than 17 April 2024 and no later than 17 May 2024. The absolute deadline to complete activities and claim payment is 31 March 2027.
- 1.7 The Council have now received 'informal' confirmation of a successful application and full funding decision in principle from Arts Council England. This will not be publicised until press release in late March. It is anticipated and recommended that the Council accept the funding from MEND. It should be noted that any likely funding received from MEND will still require further investment from Oldham Council to address the remaining priority works.
- 1.8 The Gallery Oldham is a key asset with the Council's portfolio. Whilst perceived as a modern asset, Gallery Oldham was constructed over 20 years ago and opened in 2002 as a new home for the collections of Oldham Museum and Art Gallery. The building includes permanent displays, temporary exhibitions, and storage for the gallery's art collections.
- 1.9 A detailed condition survey has been undertaken at the Gallery Oldham as part of an asset management process and to evaluate the feasibility proposals put forward in the Anthesis report. This was completed to establish essential data to inform and support property management, maintenance, operation, investment, and planning.
- 1.10 Most components of Gallery Oldham (including Building Services Infrastructure) are original from the construction date. Many of these components have a designed shelf life of circa

15 years and are consequently deemed life expired with essential replacement parts no longer available for repair.

2 **Current Position**

- 2.1 It is important to note that the original equipment and systems still in use are now over twenty years old, as such deemed obsolete and inefficient, when comparison is made to the modern equivalents and established state of the art. The obsolescence and lack of serviceability can present a significant risk to the premises operation, as systems and equipment failures become increasingly likely. The cost of repairs (maintenance overhead) can very quickly become prohibitive, and the disruption associated with failures can be significant.
- 2.2 Investment in replacements to end-of-life equipment will minimise reactive repairs, reduce risks to collections and increase financial resilience and environmental sustainability through upgrading energy efficient technologies. Without investment in equipment and infrastructure there is a risk of failure of key components leading to the potential closure of the Gallery Oldham.
- 2.3 Consideration and approval are required to fund the associated cost of priority maintenance works to Gallery Oldham from the Corporate Landlord Capital Budget. The essential works are prioritised over the next 4 years.
- 2.4 Immediate costs are required for the current and next financial years 2023/2024 and 2024/2025 respectively. Finance requirements are contained in Part B report.
- 2.5 It is stressed that works have been identified as required during this current financial year (2023/2024). The 'formal' outcome of the MEND bid is not expected until March 2024,, however informal confirmation of a successful bid has now been received. Consequently, the associated preparation (design) works should be progressed urgently and prior to the MEND decision announcement to avoid potential risk of systems failure. All the elements of works identified for 2023/2024 are covered within the MEND bid and therefore all associated cost could potentially be recovered subject to the successful MEND bid.
- 2.6 Further costs are identified for the future financial years 2025/2026 and 2026/2027 respectively. The opportunity to reduce maintenance costs, the risk of disruption to site operations, energy utilisation and the carbon profile at the premises exists. This can be realised when new modern equipment, systems and controls are installed to replace obsolete and inefficient equipment that can be costly to maintain.
- 2.7 It is acknowledged that there are other building projects scheduled in the locality of Gallery Oldham over the coming years. All risk to the ongoing service continuity of Gallery Oldham along with the associated priority maintenance/upgrade work related health and safety risks will be appropriately considered. mitigated and managed through the Construction Health and Safety Plan. A Construction Health and Safety Plan requires that detailed and robust risk assessment and method statements are provided in advance of any works progressing.

3 **Options/Alternatives**

- 3.1 Option 1 - Do nothing. This is not considered viable as the Building Services Infrastructure is deemed 'end of life' and if not replaced will eventually lead to critical failure resulting in the need to close the asset. The lack of planned maintenance will increase the need for reactive (responsive) maintenance, result being a significant impact on the associated R&M budget.

3.2 Option 2 – This is the preferred and recommended option. To approve the associated funding from the Corporate Landlord Capital Budget for the priority works across the next 4 years. This will allow priority works to be designed, developed, procured and delivered thus preventing failure and supporting the continued use of Gallery Oldham. The funding could potentially be reduced subject to the decision outcome of the MEND bid.

3.3 Option 3 – To approve the associated budget from the Corporate Landlord Capital Budget for the immediate priority works across the next 2 years. This will allow immediate priority works to be designed, developed, procured and delivered thus preventing failure and supporting the continued use of Gallery Oldham. The funding could potentially be reduced subject to the decision outcome of the MEND bid. A disadvantage with this option is that it will reduce options in terms of scheduling and delivering work, potentially increasing disruption, and opportunities to reduce costs.

4 **Preferred Option**

4.1 Option 2 is the preferred option. To approve the associated funding from the Corporate Landlord Capital Budget for the priority works across the next 4 years. This will allow priority works to be designed, developed, procured and delivered thus preventing failure and supporting the continued use of Gallery Oldham.

4.2 Option 3 is the ‘most viable’ and recommended option considering the current financial challenges and the absolute need to mitigate the risk of systems/equipment failures - To approve the associated funding from the Corporate Landlord Capital Budget for the immediate priority works across the next 2 years. This will allow immediate priority works to be designed, developed, procured and delivered thus preventing failure and supporting the continued use of Gallery Oldham. A disadvantage with this option is that it will reduce options in terms of scheduling and delivering work, potentially increasing disruption, and opportunities to reduce costs.

5 **Consultation**

5.1 Consultation has been held with key stakeholders at the Gallery Oldham including Head of Heritage, Libraries and Arts.

6 **Financial Implications**

6.1 Finance comments contained in Part B

(James Postle)

7 **Legal Implications**

7.1 Legal Services supports the recommendation. The client team should work closely with procurement colleagues to ensure that any procurement process followed for the award of any Works is in compliance with the Council’s Contract Procedure Rules and Public Procurement Regulations.

(Sukie -Kaur Solicitor)

8. **Co-operative Implications**

8.1 Gallery Oldham is an important asset in Oldham. It is widely accessed by residents, including children, young people and families and serves as an important educational site. Additionally, it is also an important site for tourism in Oldham. Maintaining it is crucial for children and young people and to boost footfall into Oldham

(Mahmuda Khanom, Policy Support Officer)

9 **Human Resource Implications**

9.1 No HR implications

(Catherine Reed, Strategic HR Lead)

10 **Risk Assessment**

10.1 There are significant insurance risks associated with this project, as there is already a substantial amount of work being undertaken in close proximity. There is also a risk around works being carried out in the Gallery whilst the artwork is in situ, any work will need to be agreed with insurers prior to work being carried out, this will include providing full schemes of work, risk assessments etc. This is a condition precedent in the insurance policy so failure to obtain agreement could result in their being no cover for the fine arts whilst work is undertaken. This could result in additional financial expenditure and time delays to the project which will need to be factored in. There are also health and safety risk to employees and members of the public whilst work is being undertaken due to the public nature of the building, a risk assessment will need to be in place to manage these risks.

Vicki Gallacher (Head of Insurance and Information Management)

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 The priority maintenance work has been identified though a detailed condition survey completed by the Councils property team. The work is prioritised to maintain the operational use and value of the Gallery Oldham and to mitigate risks associated with statutory compliance, health and safety along with further consequential damage with associated additional costs. Consideration should be given to explore energy efficient technology and systems to support the Councils Green New Deal.

(Katy Webster – AD Property & Projects)

13 **Procurement Implications**

13.1 Should the funding be approved all related works and/or services as per Table 1.1 will need to be procured in line with the Council’s Contract Procedure Rules of which the Commercial Procurement Unit will support with.

(Irfan Oomer)

14 **Environmental and Health & Safety Implications**

14.1 Environmental: The preferred option will deliver a range of infrastructure improvement works at Gallery Oldham which will include energy efficiency / decarbonisation measures supporting achievement of the 2025 carbon neutrality target for Council Buildings and Street Lighting as set out in the Oldham Green New Deal Strategy 2020 – 2025. As the preferred option will deliver works over a four-year period, over this time there will be an opportunity to revise and optimise the schedule of proposed energy-related works in light of new technologies and schemes coming online, for example the proposed Oldham Low Carbon District Heat Network which is currently scheduled to come online in 2025/26 and could therefore mitigate the need for new heating boilers in Year 3.

(Andrew Hunt – Green Energy & Sustainability Manager)

14.2 Health & Safety: As an employer/duty holder, Oldham Council has a statutory duty to ensure so far as is reasonably practicable, the health, safety and welfare at work of all its employees, and persons not in its employment who may be affected by their work, are not exposed to risks to their health or safety. Oldham Council's Health and Safety Team have no objections to the content of this report as we have been assured that all contractors will have signed up to construction line. Specific risk assessments and other safety documentation will still need to be checked for individual jobs/projects during the planning/construction phases of any works. There is a concern surrounding the volume of major building refurbishment projects in and around this location and this will have to be managed accordingly to ensure any health and safety risks are mitigated.

(Neil Crabtree, Head of Public Protection)

15 **Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

15.1 There are no community cohesion implications arising from the proposals within the report.

(Natalie Downs).

15.2 There are no Crime and Disorder implications arising from the proposals contained within this report

(Phil Bonworth – Community Safety Operations Manager)

16 **Equality Impact Assessment including implications for Children and Young People**

16.1 Yes

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 ESR-31-23

19 **Background Papers**

19.1 None

20 **Appendices**

20.1 None



Report to CABINET

Oldham Green New Deal Delivery Partnership - Grant acceptance

Portfolio Holder:

Cllr Abdul Jabbar MBE, Cabinet Member for Finance and Corporate Resources

Officer Contact: Emma Barton, Deputy Chief Executive (Place)

Report Author: Andrew Hunt, Green Energy & Sustainability Manager

Ext. 6587

26th February 2024

Reason for Decision

To accept £8.7m grant funding for implementation of the Oldham Low Carbon Heat Network, as part of the Oldham Green New Deal Delivery Partnership programme.

Recommendations

Cabinet is asked to approve:-

1. Acceptance of £8.7m grant funding (£1m revenue and £7.7m capital) from the UK government Green Heat Network Fund, for implementation of the Oldham Low Carbon Heat Network
2. Delegated authority to accept up to £1.5m grant funding from the DESNZ Local Net Zero Accelerator programme via GMCA (subject to Business Case being agreed between GMCA and DESNZ), to the Deputy Chief Executive (Place) in consultation with the Leader of the Council and Cabinet Member for Finance and Corporate Resources, and Directors of Finance, Legal Services and Economy
3. Delegated authority to appoint consultants and contractors for the grant funded works and services to the Deputy Chief Executive (Place) in consultation with the

Leader of the Council and Cabinet Member for Finance and Corporate Resources,
and Directors of Finance, Legal Services and Economy

4. Delegate authority to the Director of Legal Services or their nominated representative to sign and/or affix the Common Seal of the Council to all contractual documentation and associated or ancillary documentation referred to above and/or required to give effect to the authorisations, delegations and recommendations in this report.

Oldham Green New Deal Delivery Partnership - Grant acceptance**1 Background**

- 1.1 In March 2020, the Council adopted the Oldham Green New Deal Strategy (OGNDS), Oldham's climate change mitigation strategy which has a specific focus on securing the co-benefits of investment in low carbon infrastructure, in particular jobs and training opportunities for Oldham residents in the growing Green Technology and Services (GTS) sector.
- 1.2 The OGNDS set two challenging carbon neutrality targets – for Council Buildings and Street Lighting (by 2025) and for Oldham Borough (by 2030). These targets are set within the context of the 2038 carbon neutrality target for Greater Manchester city region set out in the GM 5-year Environment Plan.
- 1.3 The OGNDS sets out the approach for achieving the 2030 borough-wide carbon neutrality target as follows:-
- 1) Leading a strategic partnership of major energy users across all sectors in Oldham to achieve carbon neutrality within the partnership and demonstrate community leadership.
 - 2) Developing a Local Energy Market to incentivise renewable energy development in the borough and cut energy bills for local residents and businesses.
 - 3) Investing in, and supporting the development and roll-out of, large-scale low carbon anchor energy infrastructure such as low carbon heat networks.
 - 4) Supporting the development of the GTS sector across the borough and support and incentivise the wider business community to decarbonise.
 - 5) Maximising the local benefits from Greater Manchester and national level schemes which aid decarbonisation, including in the areas of Air Quality, Transport, Waste and other key priority sectors, securing inward investment for 'clean growth' from public and private sectors.
- 1.4 In 2021, the Council carried out its first market engagement exercise to test interest in the commercial low carbon infrastructure sector for an Oldham Green New Deal Delivery Partnership – a strategic investment and delivery partnership between the Council and the private sector to deliver the £5.6bn of low carbon infrastructure set out in Oldham's Local Area Energy Plan, which the borough requires to reach Net Zero, taking the OGNDS approach outlined above. The market engagement exercise demonstrated significant interest from major energy infrastructure companies in working in Oldham, who also understood the Council's objective of maximising the opportunities for Oldham's local GTS supply chain companies to participate in delivery of infrastructure.
- 1.5 In 2022, a second market engagement exercise was carried out, again testing interest in the low carbon infrastructure marketplace but also testing interest with specialist consultancy companies in supporting the implementation of an OGND Delivery Partnership. Again, the market engagement exercise demonstrated significant interest from both energy infrastructure companies and specialist consultancies.
- 1.6 In early 2023, the Council commenced Detailed Project Development feasibility stage on a proposed new low carbon district heat network for Oldham Town Centre, which could make use of a range of low carbon heat sources including air source, wastewater source, minewater source and biomass heat. The £220K DPD feasibility work was 70% funded by the Department for Energy Security and Net Zero's Heat Network Delivery Unit, 15% by the

Council and 15% by First Choice Homes Oldham who own the existing heat network at St Mary's, which serves around 1,500 social homes.

- 1.7 As part of the heat network DPD feasibility work, a third market engagement exercise was carried out to test interest in the low carbon infrastructure marketplace for the heat network project specifically, in the context of an OGND Delivery Partnership. Again, the exercise demonstrated significant market interest in the opportunity. The heat network project has now been completed to Outline Business Case stage and shows a £27m opportunity for a heat network developer. The recommended delivery model is for a third party investor / developer partnership with the Council under a Special Purpose Vehicle, as a subsidiary / subcontract of an over-arching OGND Delivery Partnership Joint Venture.
- 1.8 The proposed heat network will likely form the core of a much larger expansion of heat networks in Oldham in the future, supported by new national legislation around Heat Network Zoning (HNZ). Under HNZ, new developments and large heat users will be mandated to connect to district heat networks. It is anticipated that the £27m heat network for Oldham Town Centre will form the core of a much larger heat network or set of heat networks, which Oldham's Local Area Energy Plan anticipates could constitute an investment opportunity of around £340m in total across the borough over time.
- 1.9 In early 2023, the Council was successful in securing £75K of revenue grant funding from Phase 1 of the Innovate UK (IUK) Net Zero Living Pathfinder Places programme, to develop a feasibility study looking at the potential for an OGND Delivery Partnership which would combine a commercial partnership arrangement with a large private sector infrastructure provider with an innovative approach to Community Led Energy Planning, already piloted in Sholver and Westwood wards as part of the Oldham Energy Futures project, delivered by Carbon Co-op. The feasibility study was completed and provides a blueprint for implementation of an OGND Delivery Partnership.
- 1.10 The GM Combined Authority and Manchester City Council were also successful in securing grant funding for feasibility studies from Phase 1 of the IUK programme for feasibility studies, and once the feasibility studies were complete, GMCA led a consortium application to Phase 2 of the IUK programme, for a combined £5.5m in revenue grant funding, of which Oldham's share was £1.5m. The overall GMCA application was for a demonstrator programme testing different delivery models at city regional (GMCA), local authority area (Oldham) and neighbourhood (Manchester) levels to accelerate the deployment of low carbon infrastructure across a number of 'asset classes' including district heat networks, renewable energy generation and storage, electric vehicle charging and housing retrofit.
- 1.11 In September 2023, Oldham Council submitted an application to the Green Heat Network fund for £1m in revenue grant funding and £7.7m in capital grant funding, to develop the heat network to RIBA Stage 3 design stage, carry out invasive feasibility at the Rhodes Bank site (which has been identified as the preferred site for the new low carbon Energy Centre - as well as being the site on which the new Green Shoots Business Centre (a Levelling Up Fund project) will be developed - for minewater source heat and to enable the heat network project to achieve a commercial rate of return (10% IRR).

[Link to Corporate Plan and Priorities](#)

- 1.12 The Oldham Green New Deal Delivery Partnership will support "working with a resident focus" through the Community Led Energy Planning approach, which will put residents at the heart of the development of low carbon energy infrastructure in their neighbourhoods.
- 1.13 Corporate Plan priorities: Healthy, safe and well supported residents / quality homes for everyone – the Oldham Green New Deal Delivery Partnership could support efforts to help residents cut their energy bills through the energy efficient retrofit of their homes.

-
- 1.14 Corporate Plan priority: A clean and green future – the Oldham Green New Deal Delivery Partnership aims to bring in up to £5.6bn of investment in low carbon infrastructure in Oldham, supporting the aim set out in the Oldham Green New Deal Strategy to achieve carbon neutrality for the borough by 2030. It will also contribute to the improvement of green infrastructure in the borough such as parks and local green spaces.
- 1.15 Corporate Plan priorities: A great start and skills for life / better jobs and dynamic businesses - the Oldham Green New Deal Delivery Partnership will support the creation of jobs and training opportunities for Oldham’s residents and young people in the growing Green Technology and Services sector, as it secures inward investment in low carbon infrastructure schemes and involves Oldham’s local supply chain in delivery. It will also help businesses to become more competitive by cutting their energy costs, through investments in energy efficiency and decarbonisation. The new low carbon heat network will provide cost certainty for heat supply for Town Centre businesses and residents, as well as an environmentally friendly source of heating.

2 **Current Position**

- 2.1 On 30th November 2023, GMCA was notified that the consortium application had not been successful in securing Innovate UK funding. However, GMCA was notified that a direct award would instead be made from the Department for Energy Security and Net Zero (DESNZ) for up to £7m instead of the £5.5m applied to Innovate UK for, via a new programme called the Local Net Zero Accelerator programme, for implementation of the GMCA / Oldham / Manchester three-tier delivery model demonstrator originally submitted to Innovate UK, with a condition that GMCA also include additional work.
- 2.2 Oldham’s part of the project, to implement an Oldham Green New Deal Delivery Partnership, remains part of the programme and so the Council expects to receive up to £1.5m from this fund via GMCA. However, GMCA must first submit a Business Case to the Greater South East Net Zero Hub who are the administrator for the DESNZ funding in order to receive the grant. The grant funded period ends on 31 March 2026. The Council will be expected to sign a grant agreement with the GM Combined Authority for disbursement of the DESNZ grant. This report requests delegated authority to accept this grant once it has been confirmed by GMCA – this delegated authority will enable the Council to mobilise quickly once the grant is confirmed in order to meet the delivery timescale ending March 2026.
- 2.3 The Council has been successful in securing £1m of revenue funding and £7.7m of capital funding from the Green Heat Network Fund, from its application for grant funding to support delivery of the Oldham Low Carbon Heat Network.
- 2.4 The £1m of revenue funding will cover the cost of taking the heat network scheme from RIBA Stage 2 to RIBA Stage 3 design (“Commercialisation”) and also the drilling of test boreholes for the minewater heating resource at the Rhodes Bank site.
- 2.5 The £7.7m of capital funding will contribute towards the overall estimated £27m capital cost of the heat network scheme and will be transferred from the Council to the Oldham Green New Deal Delivery Partner via a procurement process which is expected to commence in July 2024 for a period of around 12 months.
- 2.6 The Council will shortly carry out a procurement exercise for consultants to deliver the Commercialisation work for the district heat network project. A further procurement process will follow to select and appoint consultants and contractors to carry out invasive minewater borehole feasibility at Rhodes Bank. Additional appointments such as an Independent Assurance Provider will arise from the DESNZ grant funding once confirmed and received.

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- 2.7 The OGND Delivery Partnership will aim to be fully operational from April 2026 onwards, and the low carbon heat network will be delivered in phases between April 2026 and March 2028. Once operational, the heat network is expected to save around 3,700 tonnes of CO2 annually, which is more than the Council's entire current carbon footprint arising as a result of burning gas for the heating of Council buildings. The heat network will also deliver heat price stability for the Council, town centre businesses and residents. More detailed information will be available once Commercialisation stage feasibility (RIBA Stage 3 design) has been completed.
- 2.8 Additionally, the DPD feasibility study shows potential to expand the town centre heat network in future up to £90m of investment, with further heat network opportunities in Oldham borough of up to around £340m capital cost.
- 2.9 A Green New Deal Delivery Group has been established as a sub-group of the Oldham Partnership Economic Board. The GND Delivery Group will form a key element of the governance of the OGND Delivery Partnership.

3 Options/Alternatives

- 3.1 Option 1: Do not accept the grant funding. Under this option, the Council will not proceed with implementation of an Oldham Green New Deal Delivery Partnership and will not progress further the Oldham Low Carbon Heat Network.
- 3.2 Option 2: Accept the grant funding. Under this option, the Council will proceed with implementation of an Oldham Green New Deal Delivery Partnership including the delivery of the Oldham Low Carbon Heat Network.

4 Preferred Option

- 4.1 Option 2: Accept the grant funding. Under this option, the Council will proceed with implementation of an Oldham Green New Deal Delivery Partnership including the delivery of the Oldham Low Carbon Heat Network.

5 Consultation

- 5.1 Consultation has taken place with the Cabinet Member for Finance and Corporate Resources.

6 Financial Implications

- 6.1 The DESNZ grant funding will enable the Council to set up a delivery partnership to introduce energy saving infrastructure within the borough and provide a strong basis to apply for grant funding to meet viability shortfalls in respect of potential new projects. At this point the understanding is that there is no requirement for match funding from the Council - assumption being that the grant allocation will meet all the procurement and associated costs in setting up the partnership.
- 6.2 The Green Heat Network Fund is the result of a separate grant application and provides £1m to undertake further feasibility work to determine the viability of the Minewater Source heating project. There is a requirement for the Council to fund certain external costs in respect of the project and this will be provided by way of the DESNZ funding above. Once completed, the Council anticipates that it will then be in a position to make a decision as to

whether to enter into a contract with a delivery partner in order for it to deliver the project (estimated £27m capital value) and call on the £7.7m of grant funding to facilitate this. Accepting the grant at this stage does not obligate the Council to enter into any contract to deliver the full project.

- 6.3 As a consequence, there is no direct call on the resources allocated to the Council's Capital Programme as a result of accepting both these grants.

Chris Kelsall – Assistant Director of Finance

7 **Legal Implications**

- 7.1 The Council must be satisfied it can meet the objectives and terms and conditions and milestones of the funding imposed by the funding authority including any obligation to provide match funding and to monitor, keep any necessary records and file any necessary returns. Officers must also check the terms do not conflict with other funding conditions for the scheme/s or project/property already in place and ensure compliance with the Public Sector Equality Duty and obtain any necessary Environmental Assessments.
- 7.2 All works, services and goods procured by or on behalf of the Council must be procured in compliance with the Council's Contract Procedure Rules and all other relevant regulations including, where applicable, the Financial Procedure Rules and Land and Property Protocol. Officers must work with Legal colleagues to approve and formalise the terms of any grant Agreement in conjunction with Finance and Audit colleagues.
- 7.3 The Senior responsible Officer and Project Manager must ensure that Subsidy Control is considered in consultation with Legal Services and that all relevant assessments are made and recorded and all relevant regulations and legislation is complied with to the satisfaction of the Section 151 Officer and in compliance with the Financial Procedure Rules of the Council. External advice may be needed to support these activities which will be a cost to the Project.
- 7.4 The Transparency obligations of the Council must be complied with together with any Frameworks used and any obligations referred to in the Procurement and Finance Comments.
- 7.5 Any procurement of goods works or services by or on behalf of the Council (as the Council's agent) must be carried out in compliance with the Council's Contract Procedure Rules ("CPRs") which incorporate all relevant procurement regulations/legislation.

Rebecca Boyle (Corporate Group Solicitor)

8. **Co-operative Implications**

- 8.1 The provision of the grant funding outlined will support the local supply chain, provide opportunities for training and employment for Oldham residents and provide cost and energy security for town centre households and businesses. This aligns with the Council's co-operative aims.

Amanda Richardson, Policy Manager

9 **Human Resource Implications**

9.1 No HR implications

Catherine Reed, Strategic Workforce Partner

10 Risk Assessment

10.1 The acceptance of the £8.7m Green Heat Network Fund grant and the £1.5m of DESNZ Local Net Zero Accelerator grant for the Oldham Low Carbon Heat Network from the grant funders provides an opportunity for Oldham Council to make progress against its challenging carbon neutrality targets.

10.2 The service should ensure all grant conditions are complied with and that there is sufficient monitoring of the project to ensure it fits in the timelines for completion within 24 months for the Green Heat Network Fund. All projects should have their own risk registers in place and these need to be kept up to date and under review. Appointment of consultants and contractors should be procured in line with the Councils contract procedure rules, with relevant insurances in place.

Vicki Gallacher (Head of Insurance and Information Governance)

11 IT Implications

11.1 None

12 Property Implications

12.1 A number of Council buildings are scheduled to be connected to the proposed town centre heat network, and work will need to be undertaken to ensure that these buildings are ready for connection, along with due diligence around the proposed price for heat to be paid by the Council to the ultimate heat network operator.

12.2 The Property and Estates teams will need to be closely involved in the preparation and execution of the tender exercise for the OGND Delivery Partner to ensure that the Council's best interests are secured.

Katy Webster, Assistant Director – Property and Projects

13 Procurement Implications

13.1 Continued engagement with the Commercial Procurement Unit is key to ensuring resource availability/allocation in line with the project requirements, and for the requirements to be procured in line with any applicable funding conditions, public procurement law and the Council's Contract Procedural Rules.

13.2 Delivery of the Oldham Green New Deal Delivery Partnership (OGNDDP) procurement process will require input and support from various Council teams, e.g., Risk and Insurance, Finance and Legal Services etc., Market engagement has been conducted to establish the market's interest in the OGNDDP opportunity, to inform/support viability, options, and enable an informed high level procurement strategy to be developed to ensure the Council proceeds with the most advantageous option through the most appropriate route to market.

-
- 13.3 The above threshold services procurement process (DN631261) to appoint the OGNDDP Independent Assurance Provider (IAP) has been conducted. The winning bidder will be appointed via delegated authority once the DESNZ grant has been confirmed.

Emma Tweedie, Senior Category Manager, Commercial Procurement Unit

14 **Environmental and Health & Safety Implications**

- 14.1 Environment: Oldham's Local Area Energy Plan sets out that investment of around £5.6bn is needed in low carbon energy infrastructure in order for the Council to achieve its target of carbon neutrality for the borough (including Business As Usual investments to upgrade the energy grid) by 2030, as set out in the Oldham Green New Deal Strategy. The recommended option will deliver a route to achieving this by securing the required inward investment from the commercial energy infrastructure sector and will ensure that the infrastructure is delivered according to the needs and priorities of Oldham residents and businesses via the Community Led Energy Planning approach. The procurement of a strategic partner can also support the Council to upgrade our own infrastructure in support of the 2025 carbon neutrality target for Council Buildings and Street Lighting.

Andrew Hunt, Green Energy and Sustainability Manager

- 14.2 Health and Safety: Health and Safety critical documentation such as previous convictions or enforcement notices, risk assessments, safe systems of work etc. have not been assessed by the health and safety service as these checks must be undertaken by the relevant project manager as should relevant supervisory checks of any contractors/works. The Health and Safety team can be contacted for advice.

Samantha Cox, Environmental Health Manager

15 **Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

- 15.1 None

16 **Equality Impact Assessment including implications for Children and Young People)**

- 16.1 Yes – see Appendix A

17 **Key Decision**

- 17.1 Yes

18 **Key Decision Reference**

- 18.1 FCR-02-23

19 **Background Papers**

- 19.1 None

20 **Appendices**

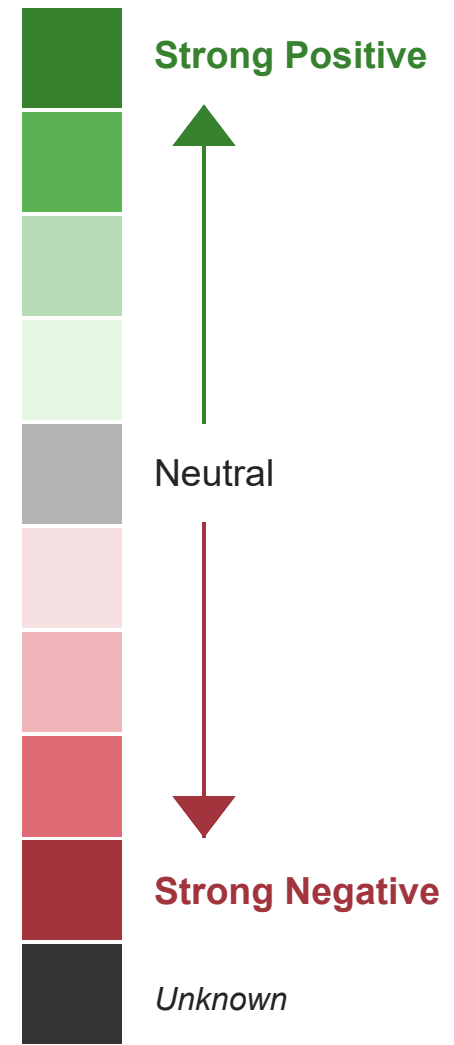
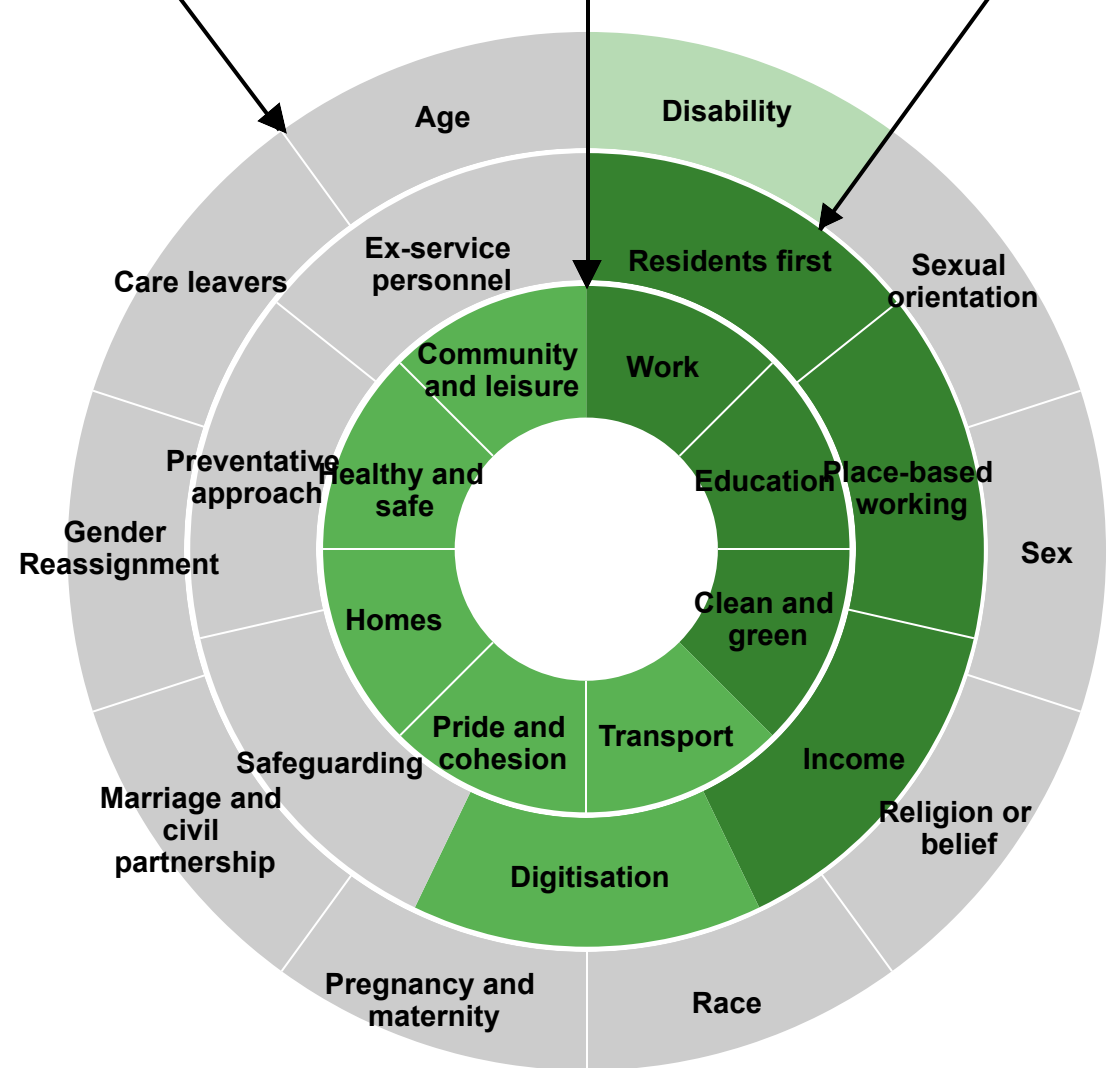
20.1 Appendix A – Oldham Impact Assessment for the Oldham Green New Deal Delivery Partnership.

Oldham Green New Deal Delivery Partnership

completed/last updated by Andrew Hunt on 22/11/2023

Portfolio	
Finance and Low Carbon	
Directorate	
PEG (Place and Economic Growth)	
Service/Team	
PEG - Economy	
Is this IA related to a Budget Reduction proposal?	<input type="text" value="No"/>

Equality Characteristics Future Oldham Aims Corporate Priorities



Equality Characteristics

Category	Impact	Likely	Duration	Impact Score	Comment
Age	Neutral	Very Likely	Long Term	0	
Care leavers	Neutral	Very Likely	Long Term	0	
Gender Reassignment	Neutral	Very Likely	Long Term	0	
Marriage and civil partnership	Neutral	Very Likely	Long Term	0	
Pregnancy and maternity	Neutral	Very Likely	Long Term	0	
Race	Neutral	Very Likely	Long Term	0	
Religion or belief	Neutral	Very Likely	Long Term	0	
Sex	Neutral	Very Likely	Long Term	0	
Sexual orientation	Neutral	Very Likely	Long Term	0	
Disability	Moderate Positive	Possible	Long Term	2	Improvements in transport infrastructure e.g. EV charging sites with preferential charging tariffs for disabled residents could improve travel choices.

Corporate Priorities

Category	Impact	Likely	Duration	Impact Score	Comment
Ex-service personnel	Neutral	Very Likely	Long Term	0	
Preventative approach	Neutral	Very Likely	Long Term	0	
Safeguarding	Neutral	Very Likely	Long Term	0	
Digitisation	Moderate Positive	Very Likely	Long Term	4	The investment in new energy technologies such as a Local Energy Market platform that the OGND Delivery Partnership will bring is likely to advance the digitisation of the economy, in particular the way that residents and businesses buy and use energy,
Income	Strong Positive	Very Likely	Long Term	8	The initiative has potential to bring in up to £5.6bn of investment to the borough in low carbon infrastructure, some of which could go to local Oldham companies involved in the supply chain for delivery, helping to grow Oldham's green economy and create training and employment opportunities for residents. The infrastructure will also help to tackle the cost of living crisis by reducing energy bills for residents and businesses.
Place-based working	Strong Positive	Very Likely	Long Term	8	The Community-Led Energy Planning approach will produce energy plans on an area-based basis, ensuring that localities have their own specific needs and priorities met rather than low carbon infrastructure being implemented on a top-down basis.
Residents first	Strong Positive	Very Likely	Long Term	8	The Community-Led Energy Planning process which will be an integral part of the OGND Delivery Partnership model will ensure that low carbon infrastructure developed in the borough will be done according to the local needs and priorities of residents.

Future Oldham Aims

Category	Impact	Likely	Duration	Impact Score	Comment
Community and leisure	Moderate Positive	Very Likely	Long Term	4	The improvement of local green infrastructure and safe walking routes will be amongst the aims of the OGND Delivery Partnership.
Healthy and safe	Moderate Positive	Very Likely	Long Term	4	The improvement of local green infrastructure and safe walking routes will be amongst the aims of the OGND Delivery Partnership.
Homes	Strong Positive	Possible	Long Term	4	The creation of a scheme to enable "able to pay" residents to access finance and contractors to improve the energy efficiency and comfort of their homes and reduce their energy bills is one of the objectives of the OGND Delivery Partnership. This will be implemented on an area-based basis.
Pride and cohesion	Strong Positive	Possible	Long Term	4	The improvement of infrastructure in the borough, including green spaces, should have a positive impact on how residents feel about the borough and improve cohesion through alleviation of community challenges rooted in energy issues such as the cost of living.
Transport	Moderate Positive	Very Likely	Long Term	4	The improvement of travel choices through the delivery of low carbon transport infrastructure such as EV charging facilities is a key aim of the OGND Delivery Partnership.
Clean and green	Strong Positive	Very Likely	Long Term	8	The OGND Delivery Partnership will bring in large-scale investment and delivery capacity to support achievement of the 2030 carbon neutrality target for the borough set out in the Oldham Green New Deal Strategy.
Education	Strong Positive	Very Likely	Long Term	8	One of the key aims of the OGND Delivery Partnership is to create training opportunities in the Green Technology and Services sector for Oldham residents, and to create demand for qualified people through the expansion of Oldham's green business sector.
Work	Strong Positive	Very Likely	Long Term	8	The large-scale investment in low carbon infrastructure in the borough will bring opportunities for Oldham green businesses to be involved in delivery, creating new jobs and demand for residents with the appropriate training.

Negative Impacts

Category	Impact	Likely	Duration	Impact Score	What action can be taken to mitigate the potential negative impacts?	Action(s)	Owner(s)	Timescale(s)	If the negative impacts can't be mitigated, why should the project/decision proceed?
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Strong Positive Impacts that are Possible

Category	Impact	Likely	Duration	Impact Score	What action can be taken to increase the likelihood that positive impacts are realised?	Action(s)	Owner(s)	Timescale(s)
Homes	Strong Positive	Possible	Long Term	4	The Council could provide loans to householders to help them improve the energy performance of their homes, as an extension to the existing Council Home Improvement Loan scheme.	Explore the potential to expand the Home Improvement Loan scheme to include energy measures.	A Hunt	By March 2024
Pride and cohesion	Strong Positive	Possible	Long Term	4	An effective communications strategy and campaign around the positive impacts of the OGND Delivery Partnership.	Communications officer to be a member of the Green New Deal Delivery Group.	A Hunt	Immediately



Report to CABINET

Awarding of Enforcement Agent Services contract following re-tender exercise

Portfolio Holder:

Councillor Abdul Jabbar MBE, Cabinet Member for Finance and Corporate Resources

Officer Contact: Sarah Johnston, Director of Finance

Report Author: Nick Davies, Revenues Manager

26 February 2024

Reason for Decision

This report seeks approval to award and enter into contracts for Enforcement Services for the collection of unpaid council tax, business rates, sundry debts and commercial rent arrears from 1 April 2024 with 3 highest ranking bidders as a result of the further competition process undertaken.

Executive Summary

The Council currently operates a mixed provision of council employed 'in house' enforcement agents (EAs) and external enforcement agents for the collection of unpaid council tax and business rates debts.

The existing contract was awarded in October 2019, following an OJEU compliant procurement route in accordance with Oldham Council's Contract Procedure Rules and EU regulations utilising the Rotherham Framework (OJEU notice ref 2016/5 -202-365931). Two providers, Marston Holdings Ltd and Rundle and Co were appointed for a 12-month fixed term contract until 30 September 2020.

Due to the moratorium on debt collection activities during 2020 and 2021 as a result of the Coronavirus pandemic, approval was subsequently given to extend this contract until 31 March 2024.

On 25 October 2023, the Council issued an invitation for tender for externalisation of all enforcement activity, including provisions for the collection of sundry debts and commercial rent arrears. As the in-house provision is no longer required, the ITT includes the provision of TUPE transfer for those staff currently employed by the Council as enforcement agents.

This Cabinet report sets out how the Revenues and Benefits service have retendered the contract and selected the preferred suppliers.

Recommendations

It is recommended that Cabinet approve to award the contract for Enforcement Services to the 3 highest ranking bidders following evaluation and moderation.

3 **Options/Alternatives**

3.1 Option 1 and Option 2 are presented in the Confidential (Part B) report, later on in the meeting's agenda

4 **Preferred Option**

4.1 The preferred option is **Option 1**. This is recommended on the following basis:

Awarding the contract for Enforcement Services to the 3 highest ranking bidders who offer high quality services supports the Council in its objectives

5 **Consultation**

5.1 As set out in Part B.

6 **Financial Implications** - As set out in Part B.

7 **Legal Implications** - As set out in Part B.

8. **Co-operative Implications** - As set out in Part B.

9 **Human Resource Implications** - As set out in Part B.

10 **Risk Assessments** - As set out in Part B.

11 **IT Implications** – As set out in Part B.

12 **Property Implications** - As set out in Part B.

13 **Procurement Implications** – As set out in Part B.

14 **Environmental and Health & Safety Implications** - As set out in Part B.

15 **Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

- As set out in Part B.

16 **Equality Impact Assessment including implications for Children and Young People** - As set out in Part B.

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 FCR-06-23

19 **Background Papers**

19.1 None for this report

20 **Appendices**

20.1 The Appendix for this item is attached to the Part B report



Report to CABINET

Insurance Tender Process and Award of Contract Report

Portfolio Holder:

Councillor Abdul Jabbar MBE, Cabinet Member for Finance and Corporate Resources

Officer Contact:

Sarah Johnston, Director of Finance

Report Author:

Victoria Gallacher, Head of Insurance and Information Governance

Date: 26th February 2024

Reason for Decision

Oldham Council and its current insurers have been subject to a long-term agreement in respect of property, terrorism, motor, fine art, and other ancillary policies which commenced in April 2019 for 5 years. Liability insurance is subject to a separate insurance agreement which concludes in 2026.

The report seeks delegated authority to finalise the property insurance tender for the Council and for the award of the insurance contracts that are due to commence on the 1 April 2024.

Recommendations

1. To approve the tender award of contracts to the most advantageous tenderer based on the tender criteria.
2. To delegate authority to the Director of Finance in consultation with the Cabinet Member for Finance and Resources to award the contracts following the tender, subject to compliance with the Contract Procedure Rules.
3. Delegate authority to the Director of Legal Services or nominee to carry out all legal formalities.

Insurance Tender Process and Award of Contract

1 Background

- 1.1 The Council's insurance programme is designed to protect its financial position in respect of losses it may suffer when undertaking the diverse nature of activities required to meet statutory duties, general business functions and income generating operations.
- 1.2 The current programme is held under a 5 year Long Term Agreement. This agreement ends on the 31 March 2024.

2. Current Position

2.1 The objectives of the tender are to:

- Provide financial certainty in relation to the Council's maximum exposure to individual high value claims and the overall cost of claims in any one year.
- Provide financial certainty for claims that have incurred but may not be reported for many years in the future.
- Comply with the Contract Procedure Rules entered into by the Council. It should be noted that in the absence of an appropriate insurance programme, the Council will be at risk of significant financial loss.

3 Options/Alternatives

- 3.1 Option 1 / Recommended Option: Cabinet accepts the decision to award contract(s) for insurance to the most advantageous bidder(s) in terms of costs and quality and delegate this decision to the Director of Finance in consultation with the Cabinet Member for Finance and Resources.
- 3.2 Option 2: Cabinet does not agree to award a contract for insurance and self insure the total cost of risk without the benefit of an insurance policy. The disadvantage of this option is that the Council does not have any financial certainty in the event of large claims which may occur during the 5 year period.

4 Preferred Option

- 4.1 Option 1 / Recommended Option: Cabinet agrees to award the contract(s) for insurance to the most advantageous bidder(s) in terms of costs and quality and delegate this decision to the Director of Finance in consultation with the Cabinet Member for Finance and Resources.

5 Consultation

- 5.1 Detailed in the Part B report

6 Financial Implications

- 6.1 Detailed in the Part B report

7 Legal Implications

-
- 7.1 Detailed in the Part B report.
- 8 **Co-operative Implications**
- 8.1 Detailed in the Part B report.
- 9 **Human Resource Implications**
- 9.1 Detailed in the Part B report.
- 10 **Risk Assessment**
- 10.1 Detailed in the Part B report
- 11 **IT Implications**
- 11.1 Detailed in the Part B report
- 12 **Property Implications**
- 12.1 Detailed in the Part B report
- 13 **Procurement Implications**
- 13.1 Detailed in the Part B report
- 14 **Environmental and Health & Safety Implications**
- 14.1 Detailed in the Part B report
- 15 **Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**
- 15.1 Detailed in the Part B report
- 16 **Equality Impact Assessment, including implications for Children and Young People**
- 16.1 Detailed in the Part B report
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 FCR-01-24
- 19 **Background Papers**
- 19.1 None
- 20 **Appendices**
- 20.1 None

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