

CABINET
17/02/2025 at 6.00 pm



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

1 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Brownridge and Fida Hussain.

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**

Tere were no public questions for this Cabinet meeting to consider.

5 **MINUTES**

Resolved:

That the minutes of the meeting of the Cabinet held on 20th January 2025, be approved as a correct record.

6 **DRAFT MINUTES OF THE GOVERNANCE, STRATEGY AND RESOURCES SCRUTINY BOARD HELD 29TH JANUARY 2025**

Members considered the draft minutes of the Governance, Strategy and Resources Scrutiny Board held on 29th January 2025.

It was reported that the Scrutiny Board had recommended to Cabinet and to the Council that all the budget reduction proposals considered, be approved.

Resolved:

That the deliberations and comments of the Governance, Strategy and Resources Scrutiny Board, held 29th January 2025, be noted.

7 **DRAFT MINUTES OF THE GOVERNANCE, STRATEGY AND RESOURCES SCRUTINY BOARD HELD 6TH FEBRUARY 2025**

Consdieration was given to the minutes of the Opposition budget proposals for 2025/26, that were presented to the Governance, Strategy and Resources Scrutiny Board's meeting on 6th February 2025. The Scrutiny Board had recommended that the Cabinet consider the propoals submitted by the Liberal Democrat Group but reject the proposals that were presented by the Conservative,Group.

The Cabinet considered the proposals and summarised information in relation to the opposition group's proposals for the 2025/26 budget.

Resolved:

1. That the deliberations and comments of the Governance, Strategy and Resources Scrutiny Board, held 6th February 2025 be noted.
2. That, after consideration, none of the alternative budget proposals presented by the Liberal Democrats and Conservatives Groups be accepted.

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REVENUE MONITOR AND CAPITAL INVESTMENT PROGRAMME 2024/25: QUARTER 3 DECEMBER 2024

The Cabinet considered a report of the Assistant Director of Finance which provided members with an update, as at 31st December 2024 (Quarter 3) of the Council's 2024/25 forecast revenue budget position (detailed at Annex 1, to the report), alongside the financial position of the capital programme together with the revised capital programme 2024/25 to 2028/29 (detailed at Annex 2 to the report).

In terms of the Revenue Budget, the forecast overspend position based on the Quarter 3 profiled budget was £10.634m which if not addressed would result in a year-end overspend of £14.178m (£20.390m at Month 8 (2024/25)). The submitted financial monitoring report followed on from the previously reported positions and warned on the potential year end position if no further action was taken to reduce net expenditure. The management actions already implemented for 2024/25 had been factored into the current forecasts. Work continues across the organisation to address this position and it was anticipated that by the year end, the current outturn deficit position should reduce even further.

An update on the Quarter 3 2024/25 position was detailed within Annex 1 to the report.

Regarding the Capital Budget, the report outlined the most up to date capital spending position for 2024/25 to 2028/29 for approved schemes. The revised capital programme budget for 2024/25 was £87.260m at the close of Quarter 3 (£99.553m at Month 8), a net reduction of £12.293m. Actual expenditure to 31 December 2024 was £53.478m (61.23% of the forecast outturn).

Options/Alternatives considered:

The options that Cabinet could consider in relation to this report were:

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

The preferred Option was, to consider the forecast revenue and capital positions presented in the report.

Resolved:

1. That the Cabinet notes the report.
2. That the Cabinet approves the forecast profiled budget, being an adverse position of £10.634m at Quarter 3 (December 2024) and the forecast potential adverse

position by year end of £14.178m, with mitigations in place to reduce expenditure as detailed at Annex 1, to the report.

3. That the Cabinet approves the revised capital programme for 2024/25 including the proposed virements and the forecast for the financial years to 2028/29 as at Quarter 3 as outlined in Annex 2, to the report.



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REVENUE BUDGET 2025/26 AND 2026/27 AND MEDIUM TERM FINANCIAL STRATEGY 2025/26 TO 2029/30

The Cabinet considered a report of the Assistant Director of Finance that provided members with the budget reduction requirement, the Administration's budget proposals for 2025/26, a forecast of the 2026/27 position having regard to the Provisional Local Government Finance Settlement (PLGFS) published on 18th December 2024 and the subsequent Final Local Government Finance Settlement (LGFS) published on 3rd February 2025. The report also presented the financial forecasts for the remainder of the Medium-Term Financial Strategy (MTFS) period 2026/27 to 2029/30.

The submitted report presented the Council's Revenue Budget for 2025/26 together with the budget reduction requirement and the Administration's budget proposals for 2025/26 including Council Tax intentions. It also provided a forecast of the 2026/27 position and the financial forecasts for the remainder of the MTFS period, 2027/28 to 2029/30.

A version of the Revenue Budget 2025/26 and 2026/27 and Medium Term Financial Strategy 2025/26 to 2029/30 - based on the Provisional Local Government Finance Settlement (PLGFS) received on 18th December 2024, had been presented to the Governance, Strategy and Resources Scrutiny Board on 29th January 2025. The Board scrutinised the report and the other reports on the agenda which formed a core part of the Council's strategic financial planning framework and recommended them to Cabinet.

Section 1 presented an introduction to the report and explains 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 presented the Local Government Finance Policy Statement which sets out the Government's intentions to assist financial planning for Councils. It also details the impacts of the 2025/26 Provisional and Final LGFS which was the seventh consecutive one-year Settlement. This included key information in relation to overall funding levels, Council Tax referendum limits and grants for 2025/26.

Section 4 presented the 2024/25 revised budget and year end forecasts. The starting point for preparing the 2025/26 revenue

budget estimates was the underlying base budget of £289.1m. The 2024/25 revenue budget forecast outturn position highlighted a current unfavourable projected variance of £14.2m; which will need to be financed from reserves. This was in addition to the general contribution from reserves of £10.8m towards the 2024/25 budget approved by Council in February 2024, plus contributions from other Earmarked Reserves for specific projects/initiatives of some £4.6m. This meant that the total contribution from reserves in 2024/25 would be £29.5m: a situation that was not sustainable and which had significantly reduced the financial resilience of the Council.

Section 5 summarised the proposed budget for 2025/26 and provided the context for the strategy adopted. It provided a budget forecast whereby £1.05m could be used to replenish reserves (a more detailed breakdown of the indicative budget for 2025/26 can be found at Appendix 7. To the report).

Section 6 presented a range of expenditure pressures that would contribute to the budget gap. In total they contributed £41.2m to the 2025/26 position, an increase of £18.1m compared to the forecast presented to Full Council on 28th February 2024. The expenditure pressures for 2026/27 were projected at a further £29.9m. The main pressures arose from pay, expenditure on Council buildings, increased demand and prices for Children's and Adults' Social Care service provision and an increased demand for temporary accommodation. This section of the report also outlined the forecast impact of the payment of levies and contributions to the Greater Manchester Combined Authority (GMCA) and the Environment Agency (EA).

Section 7 presented the impacts of both the Provision and Final LGFS announced on 18th December 2024 and 3rd February 2025 respectively with regard to central Government Grants. This has resulted in a net increase of some £18.4m in resources from that forecast at Budget Council in February 2024.

Section 8 sets out how the Locally Generated Income from both Business Rates and Council Tax will support the Council budget. The LGFS confirmed referendum limits for general purpose Council Tax would remain at 3% each year from April 2025 without the need to hold a referendum. In addition, the threshold for Adult Social Care Precept (ASCP) would remain at a maximum of 2% each year from April 2025. There remained a requirement to evidence that the funds generated from this precept are used for Adult Social Care expenditure. This section of the report also sets out: 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 marginally from a forecast £55.2m to £58.6m as the Council continues to benefit from the GMCA Business Rates Retention Scheme. The GMCA is entitled to part of this benefit, currently estimated at £1.2m. The Business Rates income figure reflects the Council's NNDR1 Government return submitted on 31st January 2025.

The Council Tax position for 2025/26, advising that:

- The Council Tax Base is 59,501, up from 59,380 in 2024/25 and slightly under the position assumed in February 2024.
- A 2.99% general purpose Council Tax increase is proposed together with a 2% increase for the Adult Social Care Precept.
- 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 LGFS.
- The Council proposes to continue to provide no Council Tax Empty Property Discount and increase the Empty Property Premium from 1 April 2025.
- 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 £122.2m in 2025/26.
- The Greater Manchester Police and Crime Commissioner precept was confirmed on 27 January 2025 with an increase of £14 for a Band D Council Tax.
- The Greater Manchester Mayoral General Precept (including Fire Services) was confirmed on 7 February 2025.
- Saddleworth Parish Council agreed its precept on 27 January 2025 and Shaw and Crompton Parish Council agreed its precept on 28 January 2025. Confirmed figures are presented in the report.

The impact of the Collection Fund (the ringfenced account within which Council Tax and Business Rates are managed). The 2024/25 Collection Fund forecast outturn projection as outlined in the Month 9 financial monitoring report produces a net deficit of £1.2m of which the vast majority is Oldham Council's share and must be financed from the 2025/26 revenue budget.

Section 9 outlined the proposed savings that are required to balance the 2025/26 budget. There are a total of 25 savings proposals presented in accordance with Political Portfolios. Overall, approximately 120 FTE posts are affected, of which over 80% are currently vacant. The proposals also have a marginal impact on 2026/27 of £0.8m. It also confirms the use of capital receipts flexibly to finance expenditure leading to transformation in the sum of £2.6m for 2025/26 and a further £2.6m in 2026/27. All the proposals are presented in summary at Appendix 3, to the report and in detail at Appendix 4, to the report.

Section 10 outlined the risks and uncertainties inherent in the budget forecast.

Section 11 presented the expected level of Reserves at the end of 2024/25 at £40.4m, which can support the 2025/26 budget including the Balancing Budget and Fiscal Mitigation reserves for 2025/26.



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Section 12 sets out the proposed fees and charges for the financial year 2025/26.

Section 13 sets out the Medium-Term Financial Strategy covering the financial years 2026/27 to 2029/30.

Section 14 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. It remains the recommendation that general reserves are increased from £20m to £30m over the MTFS period, reflecting the increasingly volatile expenditure pressures the Council faces and the low tax base from which the Council is able to raise additional income. The planned replenishment of £1.05m towards reserves in 2025/26 together with the return of an estimated £3m in respect of the GM Waste Disposal Authority's reserves is a welcome first step in this direction. However, the strategy will need to be developed further in 2025/26 to continue to raise the level of general reserves over the MTFS period and improve the financial resilience of the Council. The Director of Finance is able to provide Members with the necessary assurances in respect of 2025/26 but the Council's financial position in later years remains uncertain. A more detailed commentary is provided in Section 14 and at Appendix 5, to the report.

Sections 15 to the end of the report include options to consider, consultation comments and Legal comments in accordance with standard practice.

Given the importance of delivering budget reductions and embedding the programme of transformational change, during 2025/26, there would be a regular 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.

As reported above, the Revenue Budget 2025/26 and 2026/27 and Medium-Term Financial Strategy 2025/26 to 2029/30 were presented to the Governance, Strategy and Resources Scrutiny Board on 29th January 2025, based on the information available at that time. The Board scrutinised the report and the other reports on the agenda which formed a core part of the Council's strategic financial planning framework.

The Scrutiny Board considered in detail the Administration's 25 budget reduction proposals and were content to commend the report to Cabinet at a value of £8.788m in 2025/26 and a further £0.250m in 2026/27. The Scrutiny Board were also content with all other aspects of the report, including the proposed changes to fees and charges and therefore commended these to the Cabinet also.

A further meeting of the Scrutiny Board was held on 6th February 2025, which considered budget proposals put forward by the main Opposition Parties.

As advised above the Final Local Government Finance Settlement was received on 3rd February 2025. The results were incorporated into this version of the Revenue Budget 2025/26 and 2026/27 and the Medium-Term Financial Strategy 2025/26 to 2029/30 report. No further significant amendments were anticipated to the version of this report to be presented to Council on 6th March 2025.

Options/Alternatives considered:

- Option 1 – that the Cabinet accepts the 2025/26 Council Tax and ASCP increases, the 2025/26 and 2026/27 budget assumptions and resulting financial forecasts presented within the report and the budget position at Appendix 8, to the report.
- Option 2 – that the Cabinet proposes amendments to the financial forecasts which will change the resulting budget reduction requirement.
- Option 3 – that the Cabinet approves and commends to Council all the 2025/26 and 2026/27 budget proposals included in this report and the approach to the use of reserves and balances.
- Option 4 - that the Cabinet approves the fees and charges for 2025/26 as set out at Appendix 8, to the report.
- Option 5 – that the 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.

Preferred Option: Options 1, 3 and 4 are the preferred options. Assumptions were based on objective research and the latest available information. The Council has a statutory duty to set a balanced budget and the budget reductions included in the submitted report along with the proposed use of reserves fulfil that requirement.

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 2025/26.
2. The financial forecasts for 2025/26 and 2026/27 having regard to the Local Government Finance Settlements and associated funding announcements.
3. The Flexible Use of Capital Receipts at a value of £2.6m for 2025/26 and 2026/27.
4. A proposed overall 2025/26 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 8-3 of the report.
5. The 2025/26 Budget Reduction proposals at a value of £8.8m.

6. The proposed transfer of reserves of £1.05m to improve the financial robustness of the Council.
7. The proposal to draw on the Collection Fund for major preceptors of £146.0m for Borough Wide services and £122.2 m for Council services.
8. The proposed net revenue expenditure budget for 2025/26 for the Council, set at £321.7m as outlined in Table 5.1 and at Appendix 7 to the report.
9. The proposed fees and charges, as set out in the schedule included at Appendix 6, to the report.
10. The level of general fund balances supporting the 2025/26 budget of £18.9m underpinned by the agreed policy on Earmarked Reserves.

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CAPITAL STRATEGY AND CAPITAL PROGRAMME 2025/26 TO 2029/30 AND MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

The Cabinet considered a report of the Assistant Director of Finance which set out the Capital Strategy for 2025/26 to 2029/30 and thereby the proposed 2025/26 capital programme, including identified capital investment priorities, together with the indicative capital programme for 2026/27 to 2029/30, having regard to the resources available over the life of the programme.

The Cabinet was informed that the Council's Capital Strategy and capital programme were set over a five-year timeframe. The proposed Capital Strategy and programme for 2025/26 to 2029/30 takes the essential elements of the 2024/25 to 2028/29 and previous years' strategies and programmes and moves them forward in the context of the financial and political environment for 2025/26. The Strategy does however include a longer-term vision, a forward look at those projects that are likely to run beyond the timeframe of the five-year strategy and programme period or be initiated subsequently. This covered a timeframe for the 10 years from 2030/31 to 2039/40.

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 presents:

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

The Capital Strategy was presented at Appendix 1, to the report. It had been 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 are:

1. The Capital Strategy linked to the Council's Corporate Plan (Ready for the Future), the Oldham Plan (Pride, Progress, Partnership), 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 is 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 incorporates 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 (Ready for the Future) and the Oldham Plan (Pride, Progress, Partnership). 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 2025/26 to 2029/30.

Annex C of Appendix 1, to the report set out the proposed capital expenditure and financing for the period covered by the Capital Strategy, 2025/26 to 2029/30.

The Strategy also advises that the Council is proposing to continue the use the flexibility provided by the Government to use capital receipts to fund the revenue cost of transformation. The 2025/26 to 2029/30 revenue budget will utilise up to £2.600m in 2025/26 and up to £2.000m of such funding from capital receipts in each subsequent financial year.

The 2024/25-month 9 capital monitoring position presented alongside this report includes expenditure projections that are a key determinant of the 2025/26 programme. The projected outturn spending position for 2024/25 is £87.261m. The Place and Economic Growth Directorate, which manages all of the major regeneration projects, constitutes the main area of expenditure. Prudential Borrowing (£47.566m) provides the

main source of financing, followed by Grants and Other Contributions (£32.584m).



Actual expenditure to 31st December 2024 was £53.478m (61.23%) of the forecast outturn), a lower 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 2025/26 to 2029/30 based on the principles of the Capital Strategy. The Capital Programme and Capital Strategy are 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 month 9, the anticipated capital expenditure over the five-year life of the 2024/25 to 2028/29 strategy was £262.077m, taking 2024/25 aside (£87.260m), this leaves £174.817m for the remainder of the approved 2025/26 to 2028/29 capital programme.

The revised capital programme includes proposed expenditure for 2025/26 of £108.501m, of which the largest category is £80.617m of expenditure on regeneration, schools, transport and infrastructure projects within Place and Economic Growth Directorate. Total expenditure decreases to £29.991m, £29.680m, £ 6.647m and £5.219m in 2026/27, 2027/28, 2028/29 and 2029/30 respectively.

The Government is continuing to provide significant levels of grant funding. The main sources of grant income are the Levelling Up Fund Grant of £17.763m, Towns Fund at £10.235m, along with Green Heat Network Fund of £7.700m. There are also considerable resources allocated to the Council for Transport related schemes (£17.189m) via the Greater Manchester Combined Authority (GMCA)/Transport for Greater Manchester (TfGM).

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 particular categories of expenditure and therefore are restricted in their use. The 2025/26 capital programme relies on £52.250m of ringfenced and £8.449m of un-ringfenced grants.

Contrary to previous years, the major source of financing is now grant funding and contributions (£60.800m) followed by prudential borrowing (£39.855m), demonstrating a reduced

reliance on external borrowing and reducing the impact to the revenue budget. 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 will be a continued review of capital spending requirements as the Council has further Capital investment ambitions, but affordability and deliverability will be a key consideration in this regard. It is, however, possible that the capital position may change prior to the start of 2025/26 and during the year due to:

- The outcome of specific grant bids may be announced during the last quarter of 2024/25.
- The outcome of specific grant bids announced during 2025/26.
- It is also likely that there will be new initiatives announced in 2025/26.
- There may also be the opportunity to bid for additional funding.
- The Council may identify other funding sources, including capital receipts, to finance additional capital expenditure.

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

Options/Alternatives considered:

There were two options that the Cabinet were asked to consider:

- A. To accept the proposed recommendations of Capital Strategy and Capital Programme for 2025/26 to 2029/30, Flexible Use of Capital Receipts Policy, Treasury Management Indicators, and MRP policy.
- B. Suggest an alternative approach to capital investment for 2025/26 to 2029/30, including the revision of capital priority areas.

The preferred Option was A – that the Cabinet accept the proposed Capital Strategy and Capital Programme for 2025/26 to 2029/30, Treasury Management indicators and MRP policy.

Resolved:

That the Cabinet approve and commend to Council:

1. The Capital Strategy for 2025/26 to 2029/30 at Appendix 1 of this report and summarised at section 2.1 of the report.
2. The capital programme for 2025/26 and indicative programmes for 2026/27 to 2029/30 at Annex C of Appendix 1, to the report and summarised at sections 2.2 to 2.5 of this report.
3. The Flexible Use of Capital Receipts Strategy as presented at Annex D of Appendix 1, to the report.
4. The Minimum Revenue Provision (MRP) Policy Statement 2025/26 and method of calculation and Prudential Indicators detailed in Appendix 2, to the report.

HOUSING REVENUE ACCOUNT ESTIMATES FOR 2025/26 TO 2029/30 AND FORECAST OUTTURN FOR 2024/25



The report sets out for the Housing Revenue Account (HRA), the detailed budget estimates for 2025/26, the strategic estimates for the four years 2026/27 through to 2029/30 and outturn estimate for 2024/25. The report also sets out the recommended dwelling, non-dwelling rents and service and concierge charges to be applied from April 2025.

The report sets out the HRA 2025/26 proposed original budget and the forecast outturn for 2024/25. The opportunity is also taken to present the provisional strategic budgets for 2026/27 through to 2029/30. HRA activities are a key element of the Council's Housing Strategy (approved by Council on 10 July 2019) which aims to provide a diverse Oldham housing offer that is attractive 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 2024/25 was estimated to be a £1.643m favourable variance when compared to the original budget forecast for 2024/25 approved at the Budget Council meeting, 28 February 2024. Of this variance, £0.531m is due to increased rental income (mainly backdated rental income in relation to Holly Bank and Primrose Bank), £0.492m is a reduction in forecast capital spend., and the balance is across a number of areas, but mainly utility charges and aids and appliances. The HRA balances brought forward into 2024/25 were also £0.222m greater than had been forecast. The estimated balances at the end of 2024/25 are projected to be £21.214m, which would be sufficient to meet future operational commitments and the potential financial pressures identified in the risk assessment.

The 2025/26 position had been presented after allowing for a proposed increase in dwelling rents of 2.7%, 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 and coupled with the recent increase in the Local Housing Allowance, it is assumed that the proposed increase in rents will not be an additional financial pressure to the majority of tenants.

The financial projections for the HRA over the period 2024/25 to 2029/30 show an overall reduction in the level of balances from £21.106m at the start of 2024/25 to £14.625m at the end of 2029/30. These will be supplemented by a new smoothing reserve that will be created to allow for a change in the Council's Minimum Revenue Provision Policy (MRP), approved in December 2024. Although this will see a significant increase in overall HRA reserves each year until 2036/37, the balances accrued in this reserve will be fully required to pay MRP over the proceeding ten years. For the purposes of this report, the new

smoothing reserve balance is not included in the figures shown, as it is not available to fund other HRA activity.



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The HRA detailed budget for 2025/26 and strategic estimates for the four years 2026/27 to 2029/30 and the outturn estimate for 2024/25 were presented to the Governance, Strategy and Resources Scrutiny Board on 29 January 2025. The Committee was content to commend the report to Cabinet without amendment.

Options/alternatives considered:
none reported.

Resolved:

That the Cabinet approves the report and commends to Council:

1. The Forecast HRA outturn for 2024/25 (as detailed at Appendix A, to the report).
2. The proposed HRA budget for 2025/26 (as detailed at Appendix B, to the report).
3. the Strategic estimates for 2025/26 to 2029/30 (as detailed at Appendix D, to the report).
4. The proposed increase to dwelling rents for all properties of 2.7%.
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.

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TREASURY MANAGEMENT STRATEGY 2025/26 - INCLUDING THE ANNUAL INVESTMENT STRATEGY, BORROWING STRATEGY AND PRUDENTIAL INDICATORS

The Cabinet received a report of the Assistant Director of Finance which presented the Treasury Management Strategy for 2025/26.

The report outlined the Treasury Management Strategy for 2025/26, the Annual Investment Strategy, Borrowing Strategy, and Prudential Indicators.

The Council is 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 Strategy for 2025/26 covers.

- Economic Update
- Prospects for Interest Rates
- The Current Balance Sheet and Treasury Position
- Liability Benchmark
- The Borrowing Strategy
- Debt Rescheduling
- The Investment Strategy

- Approved Counterparties, risk management and Investment Limits
- Treasury Indicators which limit the treasury risk and activities of the Council

The report therefore outlined the implications and key factors in relation to each of the Capital and Treasury Management issues, referred to above and makes recommendations with regard to the Treasury Management Strategy for 2025/26. The report also includes the most recently available economic background commentary which reflects the position as at December 2024.

The proposed Treasury Management Strategy is presented to Cabinet to enable scrutiny of the report before it receives further consideration by the Council on 6th March 2025. The Cabinet was advised that the report had been considered at the Audit Committee, at its meeting on 30th January 2025, where the recommendations, contained therein were endorsed. The Assistant Director of Finance reported that any comments from Cabinet will be incorporated into the report that is to be presented to Council.

Options/alternatives considered:

The Cabinet was informed that in order to comply with the CIPFA Code of Practice on Treasury Management, the Cabinet had no option other than to consider and commend the content of the report to Council. Therefore, no options/alternatives were presented.

Resolved:

That the Cabinet after a detailed consideration commends the report to Council, noting in particular:

- a. The Capital Financing Requirement (CFR) Projections as detailed at paragraph 2.4.1 of the report.
- b. The Projected Balance Sheet position as at 31st March 2025 and future years as detailed at paragraph 2.4.1 of the report.
- c. The Liability Benchmark as detailed at section 2.5 of the report.
- d. The Borrowing Strategy for 2025/26 as detailed at paragraph 2.6 of the report.
- e. The Annual Investment Strategy as detailed at paragraph 2.7, of the report, including counterparties and treasury limits.
- f. The Treasury Management Prudential Indicators at detailed at paragraph 2.8 of the report.

PAY POLICY STATEMENT 2025/26

The Cabinet considered a report of the Assistant Director of Finance which described that under Section 112 of the Local Government Act 1972, the Council has the 'power to appoint officers on such reasonable terms and conditions as the Authority thinks fit, subject to Section 41 of the Localism Act 2011'.

The submitted Pay Policy Statement (the 'Statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38 to 43 of the Localism Act 2011.

The purpose of the Statement is to provide transparency and accountability with regard to the Council's approach to setting the pay of its employees. It excludes teaching and other school staff working for the Local Authority under the purview of a School Governing Body. It identifies:

- The methods by which salaries of employees are determined.
- The detail and level of remuneration of its most senior staff, i.e. 'chief officers', as defined by the relevant legislation.
- The Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

Resolved:
that the report be noted.

14

OLDHAM COUNCIL ARMED FORCES COVENANT AND EMPLOYER RECOGNITION SCHEME

The Cabinet considered a report of the Assistant Director (Strategy and Performance), which sought approval of an updated Armed Forces Covenant for Oldham Council.

The Council has a statutory duty under the Armed Forces Act 2006, as amended by the Armed Forces Act 2021, to pay due regard to the Armed Forces Covenant principles when exercising certain functions.

Prior to the implementation of the statutory duty under the Armed Forces Act 2021, the Council chose to pledge its commitment to the Armed Forces community by promising to honour the Armed Forces Covenant. This pledge was last made in 2013. In 2017 the Council received the Armed Forces Covenant Employer Recognition Scheme Silver Award, and this was renewed in 2022. Since 2021, the Council has consistently gone beyond its duty to the Armed Forces community, as evidenced in this report.

To further build on its work, this report recommends that the Council shall re-pledge its promise to honour the Armed Forces Covenant, and that the endeavours relating to its support of the Armed Forces community, as detailed in this report, shall be noted. An application for the Armed Forces Covenant Employer Recognition Scheme Gold Award is to be made prior to 12 March 2025.

Options/alternatives considered:

Option 1: To note the support the Council is already providing to the Armed Forces community along with other workstreams underway and approve that Oldham Council shall make a new pledge that it will honour the appended Armed Forces Covenant.

This will allow the Council to display its re-affirmed commitment to supporting the Armed Forces community.

Option 2: Note the support the Council is already providing to the Armed Forces community, along with other workstreams underway, but do not approve a new pledge that Oldham Council will honour the appended Armed Forces Covenant. This will reflect poorly on Oldham Council, with the previous covenant pledge being made 11 years ago.

The preferred Option is Option 1.

Resolved:

1. To note the support the Council is already providing to the Armed Forces community along with other workstreams underway.
2. To approve a new pledge that the Council will honour the appended Armed Forces Covenant.

The meeting started at 6.00pm and ended at 6.37pm