



# Creating a Better Place

PRINCIPLES FOR REVIEWING THE PROGRAMME

PVFM June 2020



## **Principles for Consideration:**

### **1 - Does the project positively contribute towards:**

- ...building quality homes
- ... providing opportunities to learn & gain new skills
- ... providing opportunities to grow local businesses and create jobs
- ... ensuring Oldham is the greenest borough
- ... embedding sustainability, energy efficiency & low (zero) carbon
- ... improving life-chances and the health and well-being of our staff,  
residents and local communities

## Principles for Consideration:

### **2 - Does the project positively contribute towards:**

- Delivery of over **2,000** homes in town centre
- Delivery of homes in borough
- Delivery additional **1,000** jobs
- Creation of **100** apprenticeships
- Improved life chances and health / wellbeing

## Principles for Consideration:

### 3 - Does the project positively contribute towards REVENUE SAVINGS:

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	
<b>Suggested Revision</b>	£0.5m	£0.261m	£1.634m	£2.391m	£6.175m	<b>£10.961m</b>

- Directly due to investment scheme bringing in external funds
- Directly due to investment scheme brings a positive return ?
- Indirectly due to reduction in future maintenance / corporate estate liabilities / whole life costs ?

## Principles for Consideration:

### **4 - Does the project have a business case which guarantees ability to cover prudential borrowing costs:**

- Reflects latest CIPFA investment guidance
- Change to regulations therefore Council cannot “invest” in schemes specifically to generate a return (yield / surplus)
- Cost of prudential borrowing for a project will ADD to the existing savings profile for the Council – can this be justified ?

## Principles for Consideration:

### **5 - Does the project provide future cost avoidance – such as backlog maintenance / reduced whole life costs?**

- Does the project add to existing building maintenance or is it self sufficient ?
- Does the project protect staff H&S / wellbeing and can justify the investment ?
- Does the project provide guarantee for reduction in council subsidy ?
- Can the investment in the project offset the requirement backlog maintenance ?

## Principles for Consideration:

### **6 - Does the project support post- Covid economic recovery ?**

- Basic needs for Health and Wellbeing
  - Homes, Poverty, Safety/Security
- Jobs, employment and training
  - GMLIS priorities
  - Social enterprise / Creative / Digital / Professionals
- Town Centre priority
- Green New Deal
  - Energy, zero carbon, air quality, open green spaces
- Visitor & Tourism / Culture & Leisure

## Creating a Better Place ... Review Principles:

**Ambition has not changed, programme will support post-covid recovery – BUT financial challenges have significantly increased for both capital and revenue**

- 1) Does the project positively contribute towards the Creating a Better Place objectives ?
- 2) Does the project positively contribute towards performance targets for homes, jobs and apprenticeships ?
- 3) Does the project positively contribute towards REVENUE savings targets (£10.9m – is this still achievable / can it be accelerated and / or enhanced)?
- 4) Does the project have a business case which guarantees ability to cover prudential borrowing (*can budgets accommodate borrowing costs on top of savings targets*) ?
- 5) Does the project provide future cost avoidance – such as backlog maintenance / reduced whole life costs ?
- 6) Does the project support post-Covid economic recovery ?



## **PVFM Members are asked to ...**

**1) Consider and comment on whether it is appropriate to undertake a review of the regeneration capital programme – creating a better place**

**2) Consider and comment on the review principles**

**3) Provide advice on whether anything else needs consideration as part of the review**