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CABINET
23/04/2020 at 6.00 pm



Present: Councillor Fielding (Chair)
Councillors Chadderton, Chauhan, Jabbar, Mushtaq, Roberts,
Shah and Ur-Rehman

1 **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

2 **URGENT BUSINESS**

The Chair agreed to consider an Item of business – Proposed purchase of former WH Shaw Pallet Works, Huddersfield Road, Diggle as a matter of urgency in accordance with S.100 B (4) of the Local Government Act 1972; Urgent Cabinet approval was required as the approach detailed within the report would help provide an agreement to support the strict timescales being imposed by the Department for Education..

Approval had been given under Rule 14 of the Council's constitution by the Chair and Vice Chair of Overview and Scrutiny Committee to action this report as an urgent item. The report was considered at Item 10 of the agenda.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **MINUTES OF THE CABINET MEETING HELD ON 23RD MARCH 2020**

RESOLVED – That the minutes of the Cabinet meeting held on 23rd March 2020 be approved.

5 **PUBLIC QUESTION TIME**

There were no public questions received.

6 **RESOURCES RECEIVED BY THE COUNCIL IN RESPONSE TO COVID-19 AND THE CREATION OF A COUNCIL FUND FOR RELATED EXPENDITURE TO SUPPLEMENT THE GOVERNMENT ANNOUNCED FUNDING**

The Cabinet gave consideration to a report of the Director of Finance which sought approval of the deployment of the additional grants received in the financial years 2019/20 and 2020/21 and sought approval of the allocation of additional Council resources to supplement the unringfenced Government Funding already announced to meet costs associated with the COVID-19 pandemic.

The report also sought approval for the Director of Finance to create appropriate reserves to support the Council's response to the COVID-19 pandemic.

Members were advised that due to the COVID-19 outbreak, further unprecedented pressure was being placed on services

provided by both the Council and the NHS. The Government, in response to the COVID 19 pandemic had allocated a number of significant grants in 2019/20 and 2020/21 to provide support. This was in addition to a number of grants allocated towards the end of 2019/20 that due to their late notification could not be included in the month 9 financial monitoring report approved at Cabinet on 23 March 2020. The report presented all the additional funding received by the Council during March and April 2020 which had not previously been reported.

It was reported that Section 2.2 of the report set out a range of ringfenced and unringfenced grants received in late 2019/20 solely for use in 2019/20. These grants would therefore be included within the final outturn for 2019/20 and their allocation and use will be reported within the Council's 2019/20 Statement of Accounts.

On 27 March 2020 the Council received an unringfenced grant payment of £7,641,407, its share of a £1.6bn unringfenced grant allocation for Local Government. The Government indicated that this was to mainly meet the additional costs of Adult Social Care resulting from COVID-19, but also other pressures such as loss of income. On 18 April 2020, a second tranche of £1.6bn funding for Local Government was announced. The Councils' share has yet to be notified.

On 27 March 2020, the Council received £11.233m of grants in lieu of business rates. This was received to support cash flow at the end of 2019/20 and would be carried forward into 2020/21 as a receipt in advance and will be used to support the 2020/21 budget as initially intended.

A grant allocation specifically to finance the Government's business grants initiative was received on 1 April 2020 in the sum of £54.738m. The Government had urged all Councils to pay the grants as quickly as possible and in response payments have begun. The grant payment system is being administered having due regard to Government guidance and a balanced approach has been adopted, managing the requirement to issue grants at speed but also to ensure appropriate administrative disciplines are followed to minimise potential instances of error, fraud and infringements of State Aid protocols.

A £3.015m Hardship Fund grant was received on 3 April 2020. This was to provide support in paying Council Tax for those primarily of working age in receipt of Council Tax Reduction. A separate report has been prepared to outline the proposed use of the grant. This would be treated as an unringfenced grant in 2020/21.

The final grant notified was an increase in notional Public Health grant funding in 2020/21 of £0.606m. This would increase the 2020/21 net revenue budget, but the additional resources would be ringfenced to the Public Health Service.

The Financial Monitoring reports presented to Cabinet during 2020/21 would provide information about the impact of COVID-19 on the financial position of the Council and the use of the grants detailed in this report.

The report also advised that a high-level review had been undertaken of the Balance Sheet and Reserves which indicated an amount of £2.359m could be set aside to supplement the costs associated with the COVID-19 pandemic. When this was

added to the £7.641m of unringfenced Government resources, this would enable the Council as a priority, the flexibility to deploy a total of £10m to meet urgent and unforeseen costs and financial pressures that are impacting on the Council and the Oldham economy as a result of the pandemic. As the grant was received in 2019/20, it was considered prudent financial management to transfer the balance remaining at the end of 2019/20 and the Council resources, to an Earmarked Reserve for use in 2020/21.

It was further reported the review of the Balance Sheet was ongoing and may identify the potential to further supplement this emergency resource and any future Government funding if required.

Members noted the content of the report and the additional resources and thanked Council staff for their continued work in assisting businesses and residents.

Members also noted the loss of income due to the COVID-19 pandemic and increased expenditure in adult social care and other services within the Council.

Options/Alternatives considered

Option 1 - Cabinet approves the adjustments to the budget of the Council to reflect the additional grant funding received at the end of 2019/20 and in early 2020/21 and agrees to the allocation of supplementary resources to fund pressures arising from COVID-19 as proposed in this report. This would give the Council the capacity to spend £10m in total in addition to the funding received for business grants and hardship funding.

Option 2 - Cabinet does not approve the adjustments to the budget of the Council to reflect the additional grant funding received at the end of 2019/20 and in early 2020/21 and does not approve the allocation of supplementary resources by the Council thus reducing the funding it has to support pressures arising from COVID-19.

RESOLVED – That:

1. The adjustments to the budget of the Council to reflect the additional grant funding received at the end of 2019/20 and in early 2020/21 as outlined in the report be approved.
2. The Councils' approach to the administration of the Government business grants initiative, adopting a balance between speed of payment and appropriate administration arrangements to minimise the risk of loss through error or fraud be approved.
3. Supplementing of the unringfenced £7.641m of Government resources with £2.359m of reserves to enable the Council to deploy £10m immediately from both its own resources and the Government grant to respond to the COVID-19 pandemic and meet urgent and unforeseen costs and financial pressures impacting on the Council and the Oldham economy be approved.
4. The creation of other appropriate reserves by the Director of Finance to support the Council's response to the COVID-19 pandemic be approved.

HARDSHIP FUNDING 2020/21

The Cabinet gave consideration to a report of the Director of Finance which sought approval of the use of Hardship Funding Grant awarded by Central Government in 2020/21 in response to the COVID-19 pandemic.

The Government had awarded Oldham Council with a grant of £3,015,434, and this report provided the detail of how the Council would award the Council Tax element of this grant funding using the discretionary powers under Section 13A (1) (c) of the Local Government Finance Act 1992 and set out the proposals for the use of the balance of funding.

It was reported that as part of its response to COVID-19, the Government announced in the Budget on 11 March 2020 that it would provide Local Authorities in England with £500 million of new grant funding to support economically vulnerable people and households in their local area. The intention was that there will be up to £150 support for working age Council Tax Reduction (CTR) recipients (anyone paying less than £150 will have the relevant amount credited to their accounts so there is no balance outstanding).

Members were advised that the excess of the Hardship Fund grant award would be used firstly to ensure CTR claimants were not detrimentally affected by the change in Housing Benefit earning disregard regulations introduced under the Social Security (Coronavirus) (Further Measures) Regulations 2020 (SI 2020/371). The new regulations increased the disregard from income that applied to the calculation of Housing Benefit (HB) where a person was entitled to Working Tax Credit (WTC), or works for a specified minimum number of hours per week (the additional earnings disregard). The relevant shortfall created by the increase in Working Tax Credits would be funded through Section 13A (1) (c) payments via the Council's Exceptional Hardship Payment scheme.

The balance of any funding would then be used to support a temporary amendment to the Local Welfare Provision scheme so that applications could be considered in exceptional circumstances to meet immediate need from extremely vulnerable households who may not be in receipt of means tested benefits.

Options/alternatives considered

Option 1 - Cabinet approves the proposed use of the Hardship Fund grant awarded by Central Government as set out at Section 2 of the report

Option 2 - Cabinet does not approve the proposed use of the Hardship Fund grant awarded by Central Government as set out at Section 2 of the report and suggests alternative arrangements.

RESOLVED – That:

1. The crediting of the Council Tax accounts for all working age residents that are in receipt of Council Tax Reduction (CTR) with £150 or a sum up to that value that would bring respective Council Tax account balances to nil in accordance with Government guidance be approved.

2. Delegation of responsibility to the Deputy Leader and Cabinet Member for Finance and Corporate Services and the Director of Finance to finalise the detailed administration of the award process be approved.
3. Allocation of any balance of grant once the CTR awards have been made firstly to reflect recent Housing Benefit earnings disregard changes via the Exceptional Hardship Payment scheme, and then to support a temporary amendment to the Local Welfare Provision Scheme so that applications can be considered in exceptional circumstances to meet the immediate needs of extremely vulnerable households who may not be in receipt of means tested benefits be approved.

8 **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraphs 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

9 **STRATEGIC INVESTMENT**

Consideration was given to a commercially sensitive report of the Director of Finance and the Director of Legal Services which sought approval of the the strategic investments and delegations as detailed within the report.

An agreement has been made by the Chair of the Overview and Scrutiny Board to authorise the decision related to a Strategic Investment.

The Chair of the Overview and Scrutiny Board had agreed that the decision could not be reasonably deferred in order to meet the timeline associated with the agreement. The report was in line with the Council's Budget and Policy Framework. The decision could not wait until the end of the call-in period to meet the timelines of the agreement. The decision was exempt from call-in.

Options/alternatives considered

Option one – To agree the Strategic Investment

Option two – Not to agree the Strategic Investment

RESOLVED – That:

1. The recommendations 1-7 within the report be approved
2. The report be exempt from call-in.

10 **URGENT BUSINESS - PROPOSED PURCHASE OF FORMER WH SHAW PALLET WORKS, HUDDERSFIELD ROAD, DIGGLE**

The Chair agreed to consider an Item of business – Proposed purchase of former WH Shaw Pallet Works, Huddersfield Road, Diggle as a matter of urgency in accordance with S.100 B (4) of the Local Government Act 1972; Urgent Cabinet approval was required as the approach detailed within the report would help

provide an agreement to support the strict timescales being imposed by the Department for Education.
Approval had been given under Rule 14 of the Council's constitution by the Chair and Vice Chair of Overview and Scrutiny Committee to action this report as an urgent item. The Cabinet gave consideration to a report of the Deputy Chief Executive, People and Place which sought approval for the Council to enable a timely conclusion to the acquisition of the former WH Shaw Pallet Works to support the timeline being imposed by the Department for Education (DfE).

Options/alternatives considered
Three options were considered

RESOLVED – That:

1. The recommendations and delegations as detailed within the report be approved.
2. The decision be exempt from call-in.

The meeting started at 6pm and finished at 6.57pm