
Report to Overview and Scrutiny Performance and Value for Money Select Committee



Finance Update – Budget 2020/21 and 2021/22 and Revenue Monitor and Capital Investment Programme 2020/21 (Quarter 1 – June 2020)

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader
and Cabinet Member for Finance & Green

Officer Contact: Anne Ryans, Director of Finance

Report Author: Anne Ryans, Director of Finance
Ext. 4902

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Reason for Decision

The report provides the Overview and Scrutiny Performance and Value for Money Select Committee with an update on the deployment of additional revenue and capital grants received in 2020/21 and advises of the estimated financial challenge for the Council arising from the COVID-19 pandemic. The Select Committee is also provided with an update on the Council's 2020/21 forecast revenue budget position and the financial position of the capital programme as at 30 June 2020 (Quarter 1) together with the revised capital programme 2020/25. In this regard are reports included on the Cabinet agenda of 24 August 2020.

Executive Summary

The Overview and Scrutiny Performance and Value for Money Select Committee is presented with two reports, enabling it to review the financial position of the Council. Both reports are presented as part of the Cabinet meeting agenda on 24 August 2020.

The first report (Financial Update – Budget 2020/21 and 2021/22) is attached at Appendix A and provides detail of the additional grant funding that has been received since the Cabinet meeting on 23 April 2020, including the range of significant grants to provide support in relation to the COVID-19 pandemic. Detail is also provided on the financial information that the Council provides to the Ministry of Housing, Communities and Local Government (MHCLG) on a monthly basis and the on-going impact of COVID-19 on the financial position of the Council in 2020/21 and future years.

The second report (Revenue Monitor and Capital Investment Programme 2020/21 Quarter 1 – June 2020) is attached at Appendix B and presents the current forecast outturn position

for 2020/21. Information on the Quarter 1 position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund is also outlined in the report.

The report also outlines the most up to date capital spending position for 2020/25 for approved schemes.

Recommendation

That the Overview and Scrutiny Performance and Value for Money Select Committee considers the financial position of the Council as presented in the reports.

1 Background

1.1 The Overview and Scrutiny Performance and Value for Money Select Committee has requested the presentation of financial reports so that it may review the financial position of the Council. The most recent reports are those included on the Cabinet agenda of 24 August 2020 namely:

- Financial Update – Budget 2020/21 and 2021/22
- Revenue Monitor and Capital Investment Programme 2020/21 Quarter 1 – June 2020

1.2 These reports are appended to this summary and will enable the Select Committee to review how the Council is dealing with the financial challenge of the COVID-19 pandemic, how the various additional grants have been applied and how this translates to the forecast revenue budget position for 2020/21 and future years.

2 Current Position

2.1 Members will recall that the Cabinet meeting of 23 April 2020 considered and approved a report which provided a financial update and outlined a range of grants that had been received from Central Government. The report attached at Appendix A updates the financial information and includes details of the most recent:

- COVID related unringfenced revenue grants received
- COVID related ringfenced revenue grants received
- Other ringfenced revenue grants
- Other unringfenced revenue grants
- Capital grants including those received since April

2.2 The report also advises of the impact of COVID-19 on the financial position of the Council for 2020/21 including the requirement to report to the Ministry of Housing Communities and Local Government (MHCLG) on a monthly basis and the COVID related financial position reported to the MHCLG from April to July. The July return highlighted an anticipated in year pressure of £17.112m in excess of funding currently available. Also outlined is the requirement to increase the budget reduction target for 2021/22 and the measures that are being taken in 2020/21 to control expenditure given the financial pressure in year presented by the response to the pandemic.

2.3 The report attached at Appendix B provides the Overview and Scrutiny Performance and Value for Money Select Committee with an update on the Council's 2020/21 forecast revenue budget position including that related to the COVID-19 pandemic and the financial position of the capital programme as at 30 June 2020 (Quarter 1) together with the revised capital programme 2020/25.

3 Options/Alternatives

3.1 The Overview and Scrutiny, Performance and Value for Money Select Committee members can either choose to:

- a) note the content of both reports
- b) challenge the information and ask for further detail to be provided at the next meeting.

4 Preferred Option

4.1 The preferred option is that the Select Committee notes the content of both reports appended to this summary.

5 Consultation

5.1 Consultation with the services within the Council and the Director of Finance.

6 Financial Implications

6.1 Full financial implications are detailed in the two attached reports.

7 Legal Services Comments

7.1 Legal comments are included within the two reports attached as appendices A and B.

8 Co-operative Agenda

8.1 Improving the quality and timeliness of the financial information available to citizens of Oldham supports the co-operative ethos of the Council.

8.2 The revenue budget and capital strategy/ programme have been prepared so that they embrace the Council's co-operative agenda with resources being directed towards projects that enhance the aims, objectives and co-operative ethos of the Council. Ongoing budget monitoring is key to ensuring this objective is met.

9 Human Resources Comments

9.1 There are no Human Resource implications.

10 Risk Assessments

10.1 The risks are outlined in the two appended reports.

11 IT Implications

11.1 There are no IT implications.

12 Property Implications

12.1 There are no Property implications.

13 Procurement Implications

13.1 There are no Procurement implications.

14 Environmental and Health & Safety Implications

14.1 There are no Environmental and Health and Safety implications.

15 Equality, Community Cohesion and Crime Implications

15.1 There are no Equality, Community Cohesion and Crime implications.

16 Equality Impact Assessment Completed

16.1 Not Applicable.

17 Key Decision

17.1 No.

18 Key Decision Reference

18.1 Not applicable.

19 Background Papers

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

Appendix A (Financial Update – Budget 2020/21 and 2021/22):

File Ref: Background papers are contained within Appendices 1 & 2
Officer Name: Anne Ryans
Contact No: 0161 770 4902

Appendix B (Revenue Monitor and Capital Investment Programme 2020/21 Quarter 1 – June 2020):

File Ref: Revenue Background Papers are contained in Annex 1 including Appendices 1, 2 and 3
Officer Name: Andy Cooper
Contact No: 0161 770 4925

File Ref: Capital Background Papers are contained in Annex 2 including Appendices A to G
Officer Name: Lee Walsh
Contact No: 0161 770 6608

20 Appendices

Appendix A Financial Update – Budget 2020/21 and 2021/22

Appendix 1 COVID Funding Distribution – Letter to Local Authority Leaders from the Secretary of State for Housing, Communities and Local Government

Appendix 2 Support Package for Local Authorities – COVID-19 – Letter to Leaders and Chief Executives from the Minister for Regional Growth and Local Government

Appendix B Revenue Monitor and Capital Investment Programme 2020/21 Quarter 1 – June 2020

Annex 1 Revenue Budget Monitoring Report 2020/21 Quarter 1 - June 2020

Appendix 1 Quarter 1- Planned Transfers to/ from Reserves
Appendix 2 Financing of the 2020/21 Budget at Quarter 1
Appendix 3 DSG Funding Blocks

Annex 2 Capital Investment Programme Report 2020/21 Quarter 1 – June 2020

Appendix A SUMMARY – Quarter 1 - Corporate Services
Appendix B SUMMARY – Quarter 1 - Children's Services
Appendix C SUMMARY – Quarter 1 - Communities and Reform
Appendix D SUMMARY – Quarter 1 - Community Health & Adult Social Care
Appendix E SUMMARY – Quarter 1 - Housing Revenue Account (HRA)
Appendix F SUMMARY – Quarter 1 - People and Place
Appendix G SUMMARY – Quarter 1 - Proposed Variations

