



Oldham
Council

Report to Cabinet

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

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Reason for Decision

The report provides Cabinet with an update on the Council's 2020/21 forecast revenue budget position at Annex 1 and the financial position of the capital programme as at 30 June 2020 (Quarter 1) together with the revised capital programme 2020/25, as outlined in section two of the report at Annex 2.

Executive Summary

Revenue Position

The current forecast outturn position for 2020/21 is a projected deficit variance of £21.299m after allowing for approved and pending transfers to and from reserves.

The position also includes additional costs and pressures that have been identified by the Authority in this financial year as a direct result of the Government's lockdown arrangements to mitigate the spread of COVID-19 commencing on 23 March 2020. The additional pressures include forecasts of both income shortfalls and additional expenditure that have impacted on the Authority's budgets as a result of the pandemic.

The pandemic has affected nearly all aspects of Council service delivery; however, the most significant areas of concern are the People and Place, Children's Services and Community Health & Adult Social Care Portfolios. Action is being taken and will continue for the remainder of the financial year to address variances and take mitigating action as detailed in the report.

The overall corporate position is partly being offset by the application of the £16.638m unringfenced Government COVID related grant funding received to date. In Appendix 1 to the report, the full Government grant is presented as a single sum so that it highlights the level of variation across all Council budgets, given that there is insufficient resource to offset the adverse variance. However, this summary report presents the position after applying the Government grant across Portfolio areas. As further General Fund grant is expected in respect of lost income for sales, fees and charges, both the overall financial position and the application of Government grant will therefore change during the course of the financial year. An update on the major issues driving the projections are detailed within Annex 1, Section 2.

As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an early warning of the potential year end position if no action is taken to reduce net expenditure where possible. However, management action has been initiated across all service areas to review and challenge planned expenditure and to maximise income. Although, the effect of this action has yet to take full effect, it is anticipated that by the year end, the outturn position deficit should be reduced and this should start to be demonstrated in the monthly update reports which will be presented to Cabinet.

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. There are currently no significant issues of concern in relation to the HRA, however the Collection Fund, is forecasting an in-year deficit of £5.315m directly as a result of COVID-19. This will have a budgetary impact in 2021/22. The DSG continues to be an area which is facing a financial challenge with a projected deficit increase in 2020/21. Action is being taken with the aim of reducing the cumulative deficit and bringing the DSG towards a balanced position.

Capital Position

The report outlines the most up to date capital spending position for 2020/25 for approved schemes. The revised capital programme budget for 2020/21 is £143.711m at the close of Quarter 1, a net decrease of £3.921m from the original budget of £147.632m. Actual expenditure to 30 June 2020 was £18.214m (12.67% of the forecast outturn).

It is probable that the forecast position will continue to change before the year end with additional re-profiling into future years.

Recommendations

That Cabinet approves the:

1. Forecast revenue outturn for 2020/21 at Quarter 1 being a £21.299m adverse variance having regard to the action being taken to manage expenditure
2. Forecast positions for both the HRA and Collection Fund
3. Use of reserves as detailed in Appendix 1 to Annex 1
4. Revised capital programme for 2020/2024 as at Quarter 1.

Revenue Monitor and Capital Investment Programme 2020/21 Quarter 1 – June 2020**1 Background**

- 1.1 The Authority's 2020/21 revenue budget and capital programme was approved by Council on 26 February 2020. Under established budget procedures, all services are required to monitor and review their approved revenue and capital budgets during the financial year. Reporting to Cabinet in the past has been on a quarterly basis, however, as a result of the impact of COVID-19 and the significant change and challenge to the financial position of the Council, financial monitoring reports will be presented to Cabinet on a monthly basis. .
- 1.2 As part of the budget monitoring process, the forecast year-end position for revenue and capital has been prepared by all services as follows:
- a) The revenue forecast is based on a comparison of profiled budgets to the actual position as at the end of Quarter 1 together with known commitments, issues and planned management actions. Due to the requirement to report to the Ministry of Housing, Communities and Local Government (MHCLG) about the financial pressures relating to COVID-19, the opportunity has been taken to update forecasts for month 3 with the most up to date information (the most recent return to the MHCLG used forecasts prepared for July).
 - b) The capital programme forecast has been based notified revisions to the approved 2020/21 position including new grant announcements and anticipating the impact of the review of the Creating a Better Place programme as outlined in a report elsewhere on the agenda.
- 1.3 As the year progresses the outturn projections reflect the evolving position of management actions put in place to mitigate in-year pressures, new developments and changes in the profile of planned expenditure and of course any additional support that the Government may give with regard to additional funding to address the financial challenge created as a result of the pandemic.

2. Current position

- 2.1 The forecast revenue outturn for 2020/21 is an adverse variance of £21.299m. Further details of the current revenue budget position and a full description of this forecast can be found in Annex 1. The pressures relating to COVID-19 total £33.750m, this reduces to £17.112m with the application of the £16.638m unringfenced Government COVID related grant funding received to date. The non-COVID related pressures are £4.187m primarily in Community Health and Adult Social Services (£2.252m) and Children's Services (£1.999m).
- 2.2 The total Portfolio variances are £37.937m as detailed in Annex 1 at Tables 2 and 3 including COVID (£33.750m) and non COVID (£4.187m) pressures. This is comprised of People and Place reporting an adverse variance of £7.999m (£8.121m COVID related), Community Health and Adult Social Care reporting a pressure of £8.130m (£5.878m COVID related) and Children's Services reporting an adverse variance of £7.591m (£5.592m COVID related). The Services within Reform and Commissioning are similarly reporting adverse variances of £2.643m (£2.666m COVID related) and

£0.821m (£0.741m COVID related) respectively. There is a further small adverse variance of £0.325m within Chief Executive. Capital, Treasury and Corporate Accounting is reporting a pressure of £10.428m, all of which is fully COVID related. This highlights the impact of COVID related pressures across the Council.

- 2.3 However, taking an approach to allocating the grant so far received against the costs incurred and using the information in Tables 2 and 3 of Annex 1 shows the net impact across all Portfolio areas as presented below.

Portfolio Area	Gross Costs - COVID-19 Response £000	Apportion Grant Funding £000	COVID costs Net of Funding £000	Business as Usual £000	Total Variance £000
People and Place	8,121	(1,299)	6,822	(122)	6,700
Community Health and Adult Social Care	5,878	(5,878)	0	2,252	2,252
Children's Services	5,592	(2,704)	2,888	1,999	4,887
Communities and Reform	2,666	(1,117)	1,549	(22)	1,527
Commissioning	741	(369)	372	80	452
Chief Executive	325	(83)	242	0	242
Capital, Treasury and Corporate Accounting	10,428	(5,189)	5,239	0	5,239
Total	33,750	(16,638)	17,112	4,187	21,299

- 2.4 The projected adverse variance is of concern and as a result management action has been initiated across all service areas to review and challenge planned expenditure and to maximise income. Robust measures are required to further address and mitigate the impact of COVID-19 on all the Council services.
- 2.5 The current forecasts represent an initial 'worst case' position and in relation to COVID there is an element of estimation as there can be no certainty about the easing back of lockdown measures and the timeline for the course of the pandemic. Future reports will advise of the progress of mitigating factors and management actions to control and reduce the forecast deficit. The Government has already provided initial funding support of £16.638m which has been used to offset the overall pressure arising from the pandemic. In addition, a new scheme will reimburse Councils for lost income and allow Council Tax and Business Rates deficits to be repaid over 3 years instead of one. Details of this compensation arrangement are awaited.
- 2.6 As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an early warning of the position if no corrective action is taken, particularly on those activities that are not related to the COVID response. It is evident that there is time for the financial position to improve and this should start to be demonstrated in the monthly reports which will be presented to Cabinet. It is also anticipated that the additional funding mentioned in para 2.5 will help to reduce the deficit on both the General Fund for main Council services and Collection Fund (Council Tax and Business Rates) once the relevant guidance and instructions have been received from Government.

2.7 The original approved capital programme for 2020/21 totalled £147.632m. The revised capital programme as at Quarter 1 taking account of approved carry forwards, approved new funding, new schemes and variations and proposed variations/ re-phasing gives projected revised expenditure of £143.711m. Actual expenditure at Quarter 1 was £18.214m (12.67% of the forecast outturn). Further details of expenditure and schemes within the capital programme can be found in Annex 2.

3 Options/Alternatives

- 3.1 The options that Cabinet might consider in relation to the contents of this report are;
- a) to approve the forecast revenue and capital positions presented in the report including proposed changes
 - b) to approve some of the forecasts and changes included in the report
 - c) not to approve any of the forecasts and changes included in the report

4 Preferred Option

4.1 The preferred option is that Cabinet approves all forecasts and changes within this report; option (a) at 3.1.

5 Consultation

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

6 Financial Implications

6.1 The full financial implications are detailed in the report.

7 Legal Services Comments

7.1 There are no legal issues at this time.

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 risk is that the proposed management actions are not achieved in full. Should this be the case then alternatives will be sought and implemented.

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 Yes

18 Key Decision Reference

18.1 FG - 15 - 20

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:

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 Appendix A

Officer Name: Lee Walsh

Contact No: 0161 770 6608

20 Appendices

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

REVENUE BUDGET MONITORING REPORT 2020/21**Quarter 1 - June 2020****1 Background**

1.1 The Authority's 2020/21 revenue budget was approved by Council on 26 February 2020 at a sum of £233.524m incorporating:

- £3.011m of budget reductions approved within the 2020/21 Budget (and £1.776m approved within the 2019/20 Budget)
- £10.008m use of corporate and specific reserves
- £5.150m of other one off financing measures.

1.2 Under established budget procedures all services are required to monitor and review their approved budgets during the financial year, as part of this process, a forecast of the year-end position has been prepared by all services. The forecast is based on a comparison of profiled budgets to the actual position as at the end of Quarter 1 together with known commitments, issues and planned management actions. Due to the requirement to report to the Ministry of Housing, Communities and Local Government (MHCLG) about the financial pressures relating to COVID-19, the opportunity has been taken to update forecasts for month 3 with the most up to date information (the most recent return to the MHCLG used forecasts prepared for July).

1.3 In considering the projections included in the MHCLG return and therefore included in this report, it is important to note that there is a degree of estimation about the impact of COVID-19. The completion of the returns and forecasting of the likely impact of the pandemic on the Council's budget is based on both actual expenditure/income loss detail but also relies on a series of assumptions, particularly about how long the effects of the pandemic are likely to last, the phasing of the impact and what the new normal will look like. The estimates are therefore expected to change throughout the financial year.

2 Current Position

2.1 The current net revenue budget of £243.509m represents a £9.985m increase from the originally approved budget as a range of additional unringfenced Government grants have been received since the Budget was approved as follows:

- The Local Government Finance Settlement provided indicative Public Health Grant allocations at 2019/20 levels pending confirmation of the final 2020/21 settlement. The Department of Health has now formally notified the Council of its allocation for 2020/21 which is £0.606m higher than the indicative amount. Under the Greater Manchester 100% Business Rates Retention Pilot Scheme this increases the Business Rates Top Up Grant by £0.606m which, for Oldham Council, is then passported in full to Public Health service budgets.
- A further £0.380m is as a result of receiving a small number of additional, relatively low value un-ringfenced grants as shown in the table below.

- The major increase to funding is the receipt of unringfenced Government grant to support the Councils response to COVID-19. This funding has been received in year in 2 tranches (£6.531m and £2.466m).

A full funding analysis of net revenue expenditure is shown at Appendix 2.

Table 1 – Changes to Funding

Additional Government Grants	£000
Business Rates Top-up Grant	606
Verify earnings and Pensions service	30
School Improvement Monitoring & Brokerage Grant	105
Extended Rights to Free Travel	38
Transport Grant	9
SEND Regional Co-ordinator	24
Local Authority New Burdens Funding	172
Capital Grants	3
Unringfenced COVID-19 Grants	8,997
Total Additional Government Grants	9,985

- 2.2 The current position for 2020/21 at month 3 is an initial projected overspend £21.229m. A forecast of the year-end position has been prepared by all services, it is based on a comparison of profiled budgets to the actual position as at the end of month 3 together with known commitments, issues and planned management actions and enhanced by further projections to align to the MHCLG return. The table below shows the year-end forecast position against budget for each Portfolio including the additional costs anticipated as a result of the COVID-19 pandemic.

Table 2 - Summary Forecast Revenue Outturn

Portfolio	Budget	Forecast	In Year Net Use of Reserves	Variance Month 3
	£000	£000	£000	£000
People and Place	61,904	69,819	84	7,999
Community Health and Adult Social Care	62,810	70,940	0	8,130
Children's Services	44,407	51,998	0	7,591
Communities and Reform	33,026	36,008	(338)	2,643
Commissioning	8,916	11,782	(2,047)	820
Chief Executive	7,606	7,930	0	325
Capital, Treasury and Corporate Accounting	15,844	26,272	0	10,428
COVID-19 Funding	8,997		(7,641)	(16,638)
NET EXPENDITURE	243,509	274,750	(9,942)	21,299
FINANCED BY:	(243,509)	(243,509)		
NET FORECAST VARIANCE	0	31,241	(9,942)	21,299

- 2.3 The forecast outturn to the end of the year, after a predicted and proposed (net) in-year use of reserves totalling £9.942m, is an adverse variance of £21.299m. A detailed list of the approved and planned use of reserves at Quarter 1 can be found at Appendix 1. The planned use of reserves of £9.942m includes £7.641m that is unringfenced COVID-19 funding received from Central Government at the end of 2019/20 which was transferred into an Earmarked Reserve at the year-end pending release to offset expenditure in 2020/21. This funding, together with the £8.997m received in year brings the total Government unringfenced COVID support to £16.638m.
- 2.4 There are significant variances contained within the projected net overspend. As previously mentioned, the position includes a forecast of all the additional pressures being incurred by the Authority as part of its on-going response to the COVID-19 pandemic, as a direct result of the governments lockdown arrangements to mitigate the spread of COVID-19 commencing on 23 March 2020. The additional in-year pressures, totalling £17.112m include forecasts of both income shortfalls and additional expenditure that have impacted on the Authority's budgets as a result of the pandemic and are as reported to MHCLG on the July COVID return submitted on 31 July 2020. Table 3 below analyses the variance between COVID-19 and 'business as usual' operational variances

Table 3 - Analysis of Variances

Portfolio	Variance Month 3 £000	COVID 19 Costs included in forecasts £000	Business as Usual £000
People and Place	7,999	8,121	(122)
Community Health and Adult Social Care	8,130	5,878	2,252
Children's Services	7,591	5,592	1,999
Communities and Reform	2,643	2,666	(22)
Commissioning	820	741	79
Chief Executive	325	325	0
Capital, Treasury and Corporate Accounting	10,428	10,428	0
COVID-19 Funding	(16,638)	(16,638)	0
Total	21,299	17,112	4,187

- 2.5 The People and Place Portfolio has a reported a pressure of £7.999m, of which £8.121m relates to COVID-19, leaving a small residual underspend of £0.122m from other activities. The largest area of overspend is Economic Development which is currently forecasting a pressure of £5.987m, in the main consisting of costs relating to the pandemic (£5.327m). Enterprise and Skills (£0.750m), Environmental Services (£0.740m) and ICT (£0.552) are all predicting smaller adverse net outturns, all this overspending is as a result of pressures arising from COVID19.
- 2.6 Community Health and Adult Social Care (CHASC) is reporting an overspend of £8.130m, predominantly linked to the rising cost and demand for Community Care. The adverse variance includes £5.878m of COVID-19 related expenditure.

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- 2.7 Children's Services is forecasting an adverse variance of £7.591m, of which £5.592m is related to COVID-19. There are pressures within the two main service areas: Education, Skills and Early Years; at £1.848m and Children's Social Care; at £5.743m.
- 2.8 The Commissioning Portfolio is reporting an overall adverse variance of £0.820m, of which £0.741m is related to COVID-19. The total variance comprises a projected pressure of £0.477m in Commissioning and Procurement and an adverse variance of £0.343m in Finance.
- 2.9 Adverse variances, all relating to COVID-19 are also reported within Chief Executive (£0.325m) and Communities and Reform (£2.643m) and most significantly Capital, Treasury and Corporate Accounting which is showing an adverse position of £10.428m. Government funding received so far of £16.638m has helped reduce the overall deficit situation and further funding is expected which will reduce the in-year deficit further. A more detailed analysis of financial performance and the major variances can be found by Portfolio in the following sections.
- 2.10 It is important to note that as a result of COVID-19 the following 2020/21 approved budget reductions are currently forecast not to be achieved
- Treasury Management (Capital and Treasury) - £1.000m
 - The Direct Payment Review (CHASC) - £0.150m
 - Property Savings and Accommodation Review (People and Place) - £0.163m (part of an approved £0.261m)
 - Service efficiencies approved in 2019/20 of £1.776m including Children's Services at £1.660m

All of the above pressures are included within the forecasts.

- 2.11 Clearly, in view of the projected adverse variance at Quarter 1, management action is being initiated across all service areas to review and challenge planned expenditure and to maximise income. It is important to note that the recruitment of staff to vacant posts and significant items of expenditure is already monitored via a corporate process. Such service and corporate action will continue with the aim of bringing expenditure nearer to the resources available. In addition, further measures are being implemented to ensure non-essential expenditure is avoided unless there is an exceptional business case to support it.
- 2.12 The effectiveness of management action will be closely monitored by Directorate Management Teams with regular progress updates being provided to Portfolio holders. It is therefore anticipated that by the year end, the outturn position will reflect a lower overall adverse position. The Government on 2 July announced a further package of support to address spending pressures (£2.466m of unringfenced grant has already been received) and recognised the impact of lost income. The mechanism to reimburse Councils for lost income has not yet been finalised (this includes the determination of compensation for lost Council Tax and Business Rates in year as reflected in the Collection Fund). In addition to the management action, the further Government grant to compensate for income losses will further improve the financial position.
- 2.13 As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an early warning of the position if no corrective action is taken. A report elsewhere on the agenda outlines the full range of measures that are being introduced

to control expenditure as the financial position and operating environment is unprecedented. It is evident that there is time for the financial position to improve and management action to be effective. This should be demonstrated in the coming months and regular updates will be presented to cabinet on a monthly basis.

Portfolio Summaries

People and Place

- 2.14 The following table shows the forecast position after the approved and planned use of transfer to reserves for the Portfolio.

Table 4 – People and Place - Forecast Outturn

Directorates	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Customer Services	1,336	1,336	0	0
Economic Development	1,985	7,942	0	5,957
Education and Early Years	0	0	0	0
Enterprise and Skills	773	1,523	0	750
Environmental Services	53,691	54,348	84	740
ICT	4,076	4,628	0	552
Strategic Relationship Management	42	42	0	0
Grand Total	61,904	69,819	84	7,999

Summary

- 2.15 The forecast outturn at Quarter 1 for the People and Place portfolio, including all pressures associated with COVID-19, is an overspend of £7.999m.

Economic Development

- 2.16 Economic Development is currently forecasting a pressure pressures of £5.957m; £2.288m relating to the Catering and Cleaning services the principal reason being loss of income in relation to school meals as a result of COVID-19. There is a £1.483m pressure in the Car Parking budget also relating to loss of income as a result of COVID-19. The Corporate Landlord/Investment Estate is projecting a £1.526m pressure of which £0.788m is estimated to relate to COVID-19 impacts with the remainder relating to pre-existing issues in the area. The Strategic Housing service is projecting a pressure of £0.605m relating to additional accommodation costs as a result of COVID-19. The Planning department is projecting a minor pressure of £0.053m relating to agency staffing costs.
- 2.17 There is also a requirement to progress work associated with the Greater Manchester Spatial Framework, the Local Plan and the Creating a Better Place Strategy. The 2020/21 Revenue Budget and Medium Term Financial Strategy was prepared on the basis this work would be financed from revenue reserves. The financial challenges created by COVID-19 mean it is now necessary to reduce the potential call on reserves

wherever possible. The service will therefore seek to manage these costs within the existing service and directorate budget.

Enterprise and Skills

- 2.18 The Town Centre area, which includes the Market Service is currently forecasting an overall loss for the financial year of £0.750m which includes an anticipated loss of some rental income due to COVID-19.

Environmental Services

- 2.19 The Environmental Services area is forecasting a £0.740m overspend, mainly due to the financial impact of COVID-19 and addressing the issues of lockdown arrangements.

- Environmental Management - £0.235m (£0.203m relating to COVID-19)
- Waste Management - £0.012m, a net adverse variance due to £0.205m of costs relating to COVID-19.
- The Highways Operations - Council £0.107m (all relating to lost income as a result of COVID-19)
- Waste levy - £0.645m additional costs incurred in relation to COVID-19 due to both the cancellation of managed weekly collections at the start of the financial year and a general increase in the level of household waste during the lockdown although discussions are taking place with the Greater Manchester Combined Authority (GMCA) to mitigate this potential charge.
- Building Control (£0.130m) all as a result of COVID-19

- 2.20 These overspends are offset with 'business as usual' underspends in the Highways Operations - Unity Service area of £0.230m (S38/S278 inspection fees) and the Street Lighting service area of £0.277m.

ICT, Customer Services, and Strategic Relationship Management

- 2.21 ICT is forecasting an overspend of £0.552m, £0.674m of which is attributable to COVID. There is an emerging pressure relating to Microsoft licenses which is offset by a forecast staffing underspend arising from vacancies. Customer Services and Strategic Relationship Management areas are both reporting a forecast balanced position.

Achievement of Budget Reductions

- 2.22 There is a £0.261m Budget Reduction in place as part of the Creating a Better Place strategy; however, given the effects of the current COVID-19 pandemic it is anticipated that £0.163m of the saving will not be fully achieved in year. The impact of this is included in the figures above.

Community Health and Adult Social Care

- 2.23 The Portfolio provides social care support to adults and carers across Oldham with a key aim of integrating and aligning the work with health partners to achieve greater efficiency in service delivery and better outcomes for the resident or patient. This covers both the commissioning and the provision of services.

Table 5 –Community Health and Adult Social Care- Forecast Outturn

Directorate	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Adult Social Care - COVID 19	0	5,878		5,878
Commissioning	21,120	21,068		(52)
Community Business Services	1,688	1,625		(64)
Community Health & Social Care	28,888	27,814		(1,074)
Director Adult Social Care	(8,733)	(9,233)		(500)
Learning Disability	11,599	14,782		3,183
Mental Health	7,587	8,383		796
Safeguarding	660	622		(38)
Grand Total	62,810	70,940	0	8,130

Summary

2.24 The pandemic is having a significant impact on the Portfolio, with a projected budget pressure of £5.878m. This excludes costs to support hospital discharge which are being recharged to the NHS via the CCG (in accordance with NHS guidance). The costs remaining with the Council are predominantly measures to support the care provider market including a premium to the uplift in care fees, support for community enablement, and investment to maintain a sustainable level of bed based occupancy. Other charges include an unachievable budget reduction, the inability to undertake planned transformational change and loss of income from client contributions and other cost recoveries. The expenditure is net of the Infection Control Grant highlighted later in the report.

Commissioning & Community Business Services

2.25 Commissioning is forecasting an underspend of £0.052m due to slippage from managed staff vacancies, likewise Community Business Services is forecasting a £0.064m underspend for the year also due to vacant posts.

Community Health & Social Care

2.26 This area is forecasting an underspend of £1.074m. Whilst care costs for people with a physical disability, sensory and memory & cognitive need present financial challenges, there has been a favourable swing in the projected costs in the early part of the financial year. Notwithstanding COVID-19, this highlights the volatile nature of the care market and whilst client numbers have fallen moderately, the major factor is that several higher cost packages of care have become fully funded by Continuing Health Care NHS resources due to increased clinical needs.

Director of Adult Social Care

2.27 Director Adult Social Care is forecasting a favourable variance of £0.500m due to the anticipated uplift in the Better Care Fund allocation, consistent with previous years agreements.

2.28 The Council has received Learning Disability and Autism Community Grant, from the Department of Health Social Care amounting to £0.956m. The funding will be provided over the next three years to speed up the discharge of individuals with learning disabilities or autism into the community from mental health inpatient care in England. Oldham has agreed to receive and administer the grant on behalf of all the Greater Manchester Authorities. Once a basis of allocation has been agreed the grant will be passported to those Authorities, the Councils share will be allocated to this service.

Learning Disability

2.29 Learning Disability is forecasting an overspend of £3.183m related entirely to increases in care costs, both in terms of client numbers and to a greater extent the complexity of care. The Transforming Care Programme continues to present considerable financial challenge and in the absence of adequate patient funding, will continue to be a pressure for the Oldham Cares economy. The cost to provide care for people already discharged back into Oldham is almost £1.000m for 2020/21 and could potentially double if the prospective number of patients currently awaiting discharge materialises.

2.30 The Direct Payment and Supported Living care markets are key areas where costs continue to increase. Supported Living alone has seen costs triple over the last 5 years where client numbers have broadly remained unchanged. The service is working with finance and other partners to look at ways of optimising the care provision available to ensure needs, quality and value are considered in proportionate measure.

2.31 The COVID-19 pandemic has stalled progress on Holly Bank admissions and will therefore defer any potential reductions in high cost care packages until later in the year. Finance will carefully monitor the implications as the year unfolds.

Mental Health

2.32 Mental Health is forecasting an overspend of £0.796m. With the general population living longer and surviving other illnesses the number of people developing dementia is increasing and therefore attracting the dementia premium when placed in care homes with expenditure forecast to overspend by £0.367m. A working group has been created to optimise the purchasing of care packages, particularly the higher cost and/or out of borough placements.

Safeguarding

2.33 Safeguarding, after undergoing a restructure is in the final phase of appointing to newly created posts and as such do not yet reflect a fully committed establishment, subsequently projecting an underspend of £0.038m.

Achievement of Budget Reductions

2.34 There is one Budget Reduction for the Portfolio in 2020/21; £0.150m relating to a review of Direct Payments, as previously mentioned this is currently forecast to be unachievable as a result of COVID-19 and the impact of this is reflected in the information presented above.

Progress against Locality Plans

- 2.35 A key element of the Health and Social Care devolution agenda is the submission of a Locality Plan setting out the joint vision of Council and Oldham Clinical Commissioning Group (CCG) for the greatest and fastest possible improvement in the health and wellbeing of our residents by 2021. This improvement will be achieved by supporting people to be more in control of their lives by having a health and social care system that is geared towards wellbeing and the prevention of ill health; access to health services at home and in the community; and social care that works with health and voluntary services to support people to look after themselves and each other.
- 2.36 The financial performance against the latest version of the 2020/21 Locality Plan, as reported to the GM Health and Social Care Partnership, is shown in the table below:

Table 6 – Locality Plan

	Revised Budget £000	Forecast £000	Variance £000
Community Health and Adult Social Care	62,810	70,939	8,130
Public Health	18,114	18,114	0
Children and Families	38,290	44,033	5,743
Total	119,214	133,086	13,872

- 2.37 Although the headings in the Locality Plan do not completely align with the Council's Directorate reporting arrangements, the reasons for the variances against budget are consistent with those reported within Community Health and Adult Social Care, Public Health and Children's Social Care. This includes forecast overspends that are a result of additional activity due to COVID-19. At this stage this shows the gross cost before the allocation of a share of the Government grant that has been paid to compensate the Council for COVID-19.

Children's Services

- 2.38 The following table shows the forecast position. There is currently no planned use of reserves for the Directorate.

Table 7 – Children's Services

Directorate	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Schools	(39)	(39)	0	0
Education, Skills & Early Years	6,156	8,004	0	1,848
Children's Social Care	35,940	41,683	0	5,743
Preventative Services	2,350	2,350		0
Grand Total	44,407	51,998	0	7,591

Summary

- 2.39 The Directorate has a projected overspend of £7.591m which includes additional costs that are related to the impact of COVID-19. The principal underlying reasons are detailed below.

Education, Skills and Early Years

- 2.40 The Directorate is estimating a £1.848m overspend which includes £1.389m of costs associated with COVID-19; the main contributing factors in relation to which are as follows:

- £0.541m - Home to School Transport budget anticipated impact from September 2020 due to social distancing measures
- £0.093m - Out of Borough half term opening costs related to COVID-19
- £0.300m - SEND additional staffing required for Social, Emotional Mental Health Needs/ home schooling and Early Years sustainability
- £0.455m – Loss of Income; Service Level Agreement (SLA) Income to QEST service, Post16 parental fines and Get Oldham Working.

Further additional pressures in relation to ‘business as usual’ total £0.488m and include

- £0.166m as a result of underachievement of traded income within the QEST/ Educational Psychology service;
- £0.090m relating to additional expenditure in SEND Reform;
- £0.199m relating to staffing pressures across the directorate.

Children’s Social Care

- 2.41 This area is projecting a £5.743m overspend which includes an anticipated additional cost related to COVID-19 of approximately £2.543m in the main relating to the provision of in-house residential care, placements and staffing pressures, plus a further £1.660m of unachievable savings.
- 2.42 There are other additional overspends included within the forecasts, one off pressures in relation to restructuring costs and the anticipated loss of contractual income account for £0.466m of the adverse variance.
- 2.43 There is a further forecast operational deficit of £1.074m as a result of increased costs in relation to social care placements including Out of Borough (£0.799m), staffing (£0.245m) and interpreter services (£0.030m).

Preventative Services

- 2.44 Preventative Services includes Early Help, Targeted Youth, Tackling Troubled Families and the Multi Agency Safeguarding Hub and is predicting an overall balanced position for the year.

Achievement of Budget Reductions

- 2.45 The Budget Reductions for Children's Services are solely in relation to the Portfolio’s target of achieving efficiencies, linked to previous allocated resources for a new

operating model; £1.660m in total all of which is currently forecast to be unachievable as a result of COVID-19 and is included as part of the overall pressure above.

Communities and Reform

- 2.46 The following table shows the forecast position for the Communities and Reform Portfolio after the approved and planned use of reserves and includes additional costs for COVID-19.

Table 8 – Communities and Reform – Forecast Outturn

Directorate	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
People	2,453	2,333	0	(120)
Public Health & HLA	23,523	24,176	(338)	315
Youth, Leisure & Communities	5,367	7,504	0	2,137
Transformation and Reform	0	273	0	273
Communications and Research	889	896	0	6
Policy	40	72	0	32
Strategy and Performance	755	754	0	(0)
Grand Total	33,026	36,008	(338)	2,643

- 2.47 The forecast outturn at Quarter 1 is an over spend of £2.643m of which £2.666m relates to COVID. This is after the proposed use of £0.338m reserves. Without COVID, the Portfolio would be showing a £0.022m underspend. The paragraphs below outline the main movements within the Portfolio.
- 2.48 Public Health and Heritage, Libraries and Arts (HLA) services are together showing overspends of £0.0315m as at month 3. There are income pressures for Libraries and the Music Service due to COVID-19 and reduced service provision (£0.452m), which is offset in part with underspends on staffing and non-pay costs.
- 2.49 Youth, Leisure and Communities is showing an overall overspend of £2.137m. There are income pressures within Sports Development and Outdoor Education due to COVID-19 and reduced service provision which is in part offset against vacancies within Community Safety and District Partnerships. The main pressure relates to the Leisure contract and the requirement for centre closures due to COVID-19.
- 2.50 Transformation and Reform is reporting an adverse variance of £0.273m being project expenditure which will be funded from wider Directorate underspends.
- 2.51 There are several low value variances, as follows:
- People Services is showing a favourable variance of £0.120m which relates to underspends on staffing costs. The service is currently undertaking a restructure which is in the implementation stages
 - Communications and Research is forecasting a minor adverse variance of £0.006m

- Policy is showing an overspend of £0.032m - there are pressures on income and supplies and services offset in part with vacant posts.
- Strategy and Performance is showing a balanced position at quarter 1

Achievement of Budget Reductions

2.52 There are no approved budget reductions in this area for 2020/21.

Commissioning

2.53 The table below shows the forecast position after the approved and planned use of reserves for the Portfolio.

Table 9 - Commissioning - Forecast Outturn

Directorates	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Commissioning and Procurement	283	760	0	477
Finance	8,632	11,022	(2,047)	343
Grand Total	8,916	11,782	(2,047)	820

Summary

2.54 The forecast outturn position at Quarter 1 is an overspend of £0.820m, after a £2.047m use of reserves. A sum of £0.741m of the adverse variance is attributable to the pandemic.

Commissioning and Procurement

2.55 Commissioning and Procurement is reporting an overspend of £0.477m. The service is continuing to experience difficulties in recruiting to permanent posts, resulting in a more expensive temporary staffing solution. The service is also reporting a pressure of £0.237m against the Early Payment scheme which is in part due to Government guidance in response to COVID19 in that suppliers move to immediate payment terms (£0.081m).

2.56 Finance is showing an overspend of £0.343m which is due to the temporary suspension of reclaiming benefits overpayments as instructed by the Government in relation to COVID-19 which is in part offset by vacancies in the service.

Achievement of Budget Reductions

2.57 The 2020/21 Budget Reductions for the Commissioning portfolio of £0.400m are forecast to be fully achieved.

Chief Executive

2.58 The table below shows the forecast position including additional cost associated with COVID-19.

Table 10 – Chief Executive

Directorate	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Chief Executive	2,257	2,371	0	113
Chief Executive Management	1,554	1,554	0	0
Legal Services	3,211	3,422	0	211
Executive Office	583	583	0	0
Grand Total	7,606	7,930	0	325

Summary

2.59 The Portfolio is showing an overspend of £0.325m all of which it is estimated is due to the impact of COVID-19.

Chief Executive

2.60 Chief Executive is reporting an overspend of £0.113m at month 3. There are additional mortuary costs due to COVID-19 which is in part offset by a reduction to contributions for regionally provided services in 2020/21.

Legal Services

2.61 The service is reporting an overspend of £0.211m at month 3. This is predominantly due to the impact of COVID-19 with an anticipated reduction in income in Registrars and Land Charges and the recovery of court costs. There are staffing pressures due to COVID-19 as external expertise is required regarding contractual issues and to deal with the backlog of schools' admission appeals. This is in part being offset by an anticipated underspend within the Elections budget due to the postponement of the local election in May 2020.

Achievement of Budget Reductions

2.62 There are no Budget Reductions for the Chief Executive Portfolio in 2020/21.

Capital, Treasury and Corporate Accounting

2.63 The following table shows the forecast position, without the use of any reserves.

Table 11 – Capital, Treasury and Corporate Accounting – Forecast Outturn

Directorates	Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Capital Treasury and Technical Accounting	15,844	26,272	0	10,428
Grand Total	15,844	26,272	0	10,428

Summary

Capital, Treasury and Corporate Accounting

- 2.64 The Portfolio includes the budgets associated with the Council's Treasury Management activities including interest payable on loans and interest receivable on investments. It also includes the revenue budgets associated with technical accounting entries. As at Month 3, the projected adverse variance is £10.428m, all of which is as a result of COVID-19.
- 2.65 The adverse variance within the Capital and Treasury service area is £10.428m and is as a result of the anticipated loss of income from approved treasury management investment activities and rental income as a result of the global pandemic.

Housing Benefits

- 2.66 The service is anticipating an overspend of £0.280m due to the temporary suspension of not recovering benefits overpayments as per Local Government Association (LGA) bulletin 6.4 as part of the Government's response to the COVID-19 outbreak.

Achievement of Budget Reductions

- 2.67 The 2020/21 Budget Reductions for Capital, Treasury and Corporate Accounting total £2.200m. Within this is £1.000m for Treasury Management which will not be achieved due to global pandemic and is included within the £10.428m pressure noted above.

Ringfenced Grants

- 2.67 In addition to the unringfenced grants highlighted in the report, including the COVID-19 funding of £16.638m that has already been received and increase the net revenue budget of the Council, the Government has provided a range of ringfenced grants to support the response to COVID-19. Whilst these are included in the budget, the increased expenditure is offset by grant within the relevant service area. These are set out as follows:

a) Hardship Fund Grant

Grant of £500m for English Authorities has been provided to support economically vulnerable people and households in their local area. On 3 April 2020 the Council received a share of this Hardship Fund Grant totalling £3.015m. At its meeting on 23 April 2020, Cabinet approved the approach to allocating this resource. The increased expenditure offset by grant is included in the budget of the Commissioning Portfolio.

b) Infection Control Fund Grant

On 13 May 2020 the Government announced an allocation of £600m adult social care Infection Control Grant. The Council's share of the national allocation was £2.317m. The increased expenditure offset by grant income is included within the budget of the Community Health and Adult Social Care Portfolio. The grant is to give support to adult social care providers to reduce the rate of COVID transmission in and between care homes and support wider workforce resilience.

c) Local Authority Test and Trace Service Support Grant

The Government announced a funding package of £300m to Local Authorities to support the test, track and trace service across England. On 11 June the Council was notified of its allocation of Local Authority Test and Trace Service Support Grant at a value of £1.560m. The grant was received in full by the Council on 23 June 2020. This increased expenditure offset by the grant is included with the Public Health Service budget within the Communities and Reform Directorate.

d) Local Authority Emergency Assistance Grant for Food and Essential Supplies

On 10 June 2020 the Government announced £63m of new funding for Local Authorities to help individuals struggling financially as a result of coronavirus. Allocations were notified on 10 July 2020 with Oldham being awarded £0.361m (received on 28 July 2020). The Council is currently finalising its approach to the most effective deployment of this resource in alignment with the Government's expectations and in the meantime the resources are being held within Capital, Treasury and Corporate Accounting budgets.

e) Coronavirus (COVID-19) Rough Sleepers Contingency Fund

This Fund was initially announced in March 2020 as a £3.2m national allocation for Local Authorities targeted at support for rough sleepers or those in accommodation where bedrooms are shared or there is a dormitory style provision and where, as a result, guidance on self-isolation could not be followed. The Council was able to submit a claim in May for its share of the funding (£0.002m).

f) Other Grants

A further grant of £0.210m relating to the Reopening High Streets Safely Fund will be included in future monitoring report once the Council has finalised its Funding Agreement with Government.

Members will also recall that Cabinet of 23 April was advised that the Council had been awarded grant funding of £54.873m to provide support for small businesses and those in the retail, hospitality and leisure sectors in the form of two grant funding schemes, the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RLHGF). The Government subsequently announced that this funding allocation would also provide discretionary grant support for those businesses not qualifying for the other categories of grant.

The funding has been ringfenced but in accordance with accounting guidance, as the Council is acting as an agent in the administration of the SBGF and RLHGF grant regimes, these payments will be netted off the grant received and are not required to be shown gross in the budget. The Local Authority Discretionary Grants Fund is required to be included in the 2020/21 revenue budget as additional external funding matched by expenditure.

It is important to note that the grant schemes are of course being administered in accordance with Government guidance and following all appropriate protocols. The Government has recently announced that all schemes will close on 28 August and

final payments must be made by 30 September 2020, at which time a reconciliation will be undertaken to facilitate final budget adjustments.

Schools

2. 68 The Council's expenditure on schools is funded primarily by grant provided by the Department for Education, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools' Budget, as defined in the School Finance (England) Regulations 2020. The Schools' Budget includes elements for a range of educational services provided on an Authority wide basis and for the Individual Schools Budget which is divided into a budget share for each maintained school.
2. 69 Members will recall the DSG is made up of the following 4 blocks of funding of which further detail is presented at Appendix 3;
- Schools
 - High Needs
 - Early Years
 - Central Schools Services
- 2.70 Members will also recall that there is considerable pressure on the DSG, particularly the High Needs block. The pressure in the High Needs area is due to expenditure exceeding the High Needs budget available each year with key contributors being the:
- Increasing high needs population, such as special school places and resourced provision,
 - Increasing number of Education Health Care Plans requiring high needs top up funding within mainstream schools
 - Cost of providing local Pupil Referral Unit capacity to ensure that the Local Authority fulfils its statutory role.
 - High cost of external placements

As a consequence, the Schools Forum has historically agreed transfers between Schools Block and High Needs Blocks in 2018/19 (1%) and 2019/20 (0.84%). A further 0.5% has been agreed for the current financial year (£1.009m).

2. 71 With the continued support from the Schools Block, the High Needs Block has a slight in year deficit of £0.002m. This contributes to a cumulative deficit forecast of £14.879m as at 31 March 2021. The deficit is offset by cumulative virements and savings from the Schools and Early Years Blocks to leave a net deficit of £4.918m (as illustrated in the table below). This in turn is a significant element of the overall deficit on the DSG.

Table 12 – DSG High Needs Block

DSG Key Issues	£000
Original Budget Allocation including adjustment for imports/exports	39,190
Contribution from Schools Block (Schools Forum approval)	1,009
2020/21 Total Budget Available	40,199
Estimated Expenditure	(40,201)
Projected in Year Deficit	(2)
Deficit Brought Forward 01/04/2020	(14,879)
Cumulative Deficit	(14,881)
Offset by;	
- Virement from Schools Block- 2016/17 to 2019/20	6,237
- Savings in Schools and Early Years Block- 2015/16 to 2019/20	3,726
Projected Deficit 31/03/2021	(4,918)

Overall DSG Position and Recovery Plan

- 2.72 There is a requirement that the DSG is brought back into balance and a DSG Financial Recovery Plan was submitted to the Department for Education in 2019. As previously reported to Members the financial elements of the recovery plan have been continuously updated to take account of estimated additional cost pressures, formal notification of additional funding and the agreed funding methodology for 2020/21 (including the reduced 0.5% transfer of DSG funding between the Schools and the High Needs Funding Blocks for 2020/21) that was approved by Cabinet on 16 December 2019.
- 2.73 A report was presented to Schools Forum on 1 July 2020 showing the current projected deficit for 2020/21 as £5.635m. Further pressures and increased funding in 2021/22 show a forecast deficit at the end of 2021/22 of £2.464m. It should be noted that the recovery plan is predicated on a further 1% transfer in 2021/22, for which both Schools Forum and Secretary of State approval would be required under the current regulations. The revised Recovery Plan is summarised in the table below and shows a revised deficit if the 1% transfer is not sought:

Table 13 - Overall DSG Position

	2020/21 £000	2021/22 £000
Balance/ Variance Brought Forward	(4,916)	(5,635)
Movements Per Original Plan	1,048	5,081
Revised Forecast Variance	(3,868)	(554)
Estimated additional pressures	(1,767)	(5,510)
Additional Funding		3,600
Revised Net Forecast Variance	(5,635)	(2,464)
If the 1% movement is not agreed		1,894
Revised Net Forecast Variance	(5,635)	(4,358)

2.74 The new 2020 Regulations mean that there will no longer be an automatic 1% trigger for the production of a DSG deficit recovery plan, instead the DfE will focus on those Authorities requiring help through a more measured and targeted approach. As the current recovery plan has been agreed with the Schools Forum, and it is appropriate to present information in this format at this time, it is proposed that the Authority will continue to use the recovery plan arrangements as an effective means of monitoring the DSG position and returning the deficit to a surplus and will continue to liaise with the Schools Forum accordingly with a further update scheduled for 16 September 2020. The projected deficit for 2021/22 will change as a result of the announcement on 20 July of funding allocations for 2021/22. The information is being examined and future projections will reflect the revising level of funding. However, there is clearly some work to do to manage the DSG deficit over a realistic timeframe.

Housing Revenue Account (HRA)

2.75 Table 13 compares the initially approved HRA position to the current estimated outturn. The actual closing balance for 2019/20 at £21.795m was £0.045m more than the estimate of £21.750m. The original HRA forecast was for a planned in-year decrease in balances of £3.520m, mainly to support housing related expenditure in the Capital Programme. The revised forecast is for a decrease of £3.656m, a movement of £0.136m. The variance is mostly attributable to additional anticipated expenditure on dwellings for disabled and other essential adaptations.

Table 14 - Housing Revenue Account Forecast Position

HRA Income & Expenditure Account	Original Budget £000	Latest Forecast £000	Variance to Budget £000
HRA Balances Brought forward	(21,750)	(21,795)	(45)
Deficit on HRA Services	3,520	3,656	136
HRA Balances Carried Forward	(18,230)	(18,139)	91

Collection Fund

2.76 The tables below show the forecast outturn position for the Collection Fund and the forecast position in relation to the share of balances.

Table 15 - Collection Fund Forecast Position

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Balance Brought Forward	(185)	(3,110)	(3,295)
Surplus Released In Year	410	1,060	1,470
(Surplus)/ Deficit for the Year	4,140	26,446	30,586
Additional Section 31 Grant **	0	(23,446)	(23,446)
Balance Carried Forward	4,365	950	5,315

**Compensatory Section 31 Grant for the extension of 100% business rates reliefs to retail, hospitality and leisure businesses; paid to the Council in 2020/21 to offset the Collection Fund deficit created by the reliefs given to business. The grant will be paid in to the Council's General Fund in 2020/21 and will be held in reserves to be released to reimburse corresponding element of the Collection Fund deficit in 2021/22.

Table 16 - Collection Fund – Share of Balances; Forecast Position

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Share - Oldham Council	3,703	940	4,643
Share - Greater Manchester Combined Authority Mayoral Police and Crime Commissioner	460	-	460
Share - Greater Manchester Combined Authority Mayoral General Precept (including Fire Services)	202	10	212
Total (Surplus)/Deficit	4,365	950	5,315

- 2.77 Council Tax and Business Rates remain a significant source of funding for Council services. However, these areas can be volatile, particularly for the 2020/21 financial year with the impact of COVID-19, as such the financial position of the Collection Fund is under constant review. The Greater Manchester 100% Business Rates Retention Pilot has continued into 2020/21. As with previous years the additional benefit from the pilot will be shared with GMCA who receive a maximum of 50% of the benefit in line with the original pilot agreement.
- 2.78 After discounting the Business Rates loss due to the extension of 100% reliefs to retail, hospitality and leisure businesses which will be fully compensated by Government grant, there is a forecast Collection Fund in-year deficit of £7.140m. This position is after excluding the in-year release of the prior year Council Tax surplus of £0.410m, and Business Rates release of £1.060m. This means that the projected year-end Collection Fund position (incorporating both Council Tax and Business Rates) is a deficit of £5.315m of which the share for the Council is £4.365m.
- 2.79 The Secretary for State for Housing, Communities and Local Government recently announced a new support package for local government, which includes the ability to spread collection fund deficits over three years rather than one.
- 2.80 The potential spreading over a period of time of the impact of elements of the rates retention scheme is something that has been used before, specifically with regard to the backdated appeals provision from 2013/14 when the scheme was first introduced. A similar approach is expected to be applied to both Council Tax and non-domestic rates and is expected to be incorporated into the regulatory process of estimating the collection fund deficits in January 2021. This will mean that 2020/21 collection fund deficits will still be recovered but over a longer time frame than the existing regulations require and reduce the impact on the 2021/21 budget setting process.

3 Use of Reserves

- 3.1 Members will recall that at the Council budget meeting of 26 February 2020, it was agreed that Earmarked Reserves of £10.008m be used to support the 2020/21 budget.
- 3.2 At the end of the 2019/20 financial year, funding was received from Central Government to support the Council in its response to COVID-19. This funding was at a value of £7.641m. Due to the timing of the receipt of these funds, it was deemed appropriate to hold these resources in a specific Earmarked Reserve to fund the additional expenditure to be incurred in 2020/21 in this regard. Hence this reserve is required to underpin the budget in 2020/21.
- 3.3 Within the Council's approved Reserves Policy for 2019/20 to 2020/21, it details the requirements for a specific Earmarked Reserve to hold any Business Rates gains that have been generated through the Business Rates Retention Pilot and that are required to be transferred to the GMCA. For 2020/21, the amount to be passported to GMCA is £2.047m. The Business Rates Retention Piloting agreement requires the Council to pay the GMCA the £2.047m in 2020/21
- 3.4 Included within the Month 3 monitor is an anticipated transfer to Earmarked Reserves of £0.084m to support the upgrading of crematorium equipment in line with approved plans and the use of £0.338m of the Growing Oldham Feeding Ambition Revenue Grant reserve used to take forward projects agreed with the grant provider, the University of Manchester (this grant will have to be returned to the provider if it is not used as intended).
- 3.5 Therefore, the total planned use of reserves as at Month 3 is £10.026m (excluding the £0.084m transfer to reserves). When this is added to the £10.008m which underpinned the 2020/21 budget, reserves of £20.034m which were brought forward into 2020/21 have been used already this financial year. The 2019/20 accounts were closed with £79.360m of earmarked reserves and £7.934m Revenue Grant reserves. Current levels are £59.664m and £7.596m although there are some commitments against the reserves.
- 3.6 In line with the Council's reserves policy, the recommended use of reserves to fund spend during the year have been initially approved by the appropriate officers prior to consideration by Cabinet. However, as there is a need to minimise the use of reserves in order to support the financial resilience of the Council. Only those reserves supporting essential business will be utilised this year.

4 Flexible Use of Capital Receipts

- 4.1 Members will recall that at the Council meeting of 26 February 2020, it was approved that up to £3.750m of capital receipts would be used to underpin the revenue budget in line with the flexibilities agreed by Secretary of State for Housing, Communities and Local Government in March 2016.
- 4.2 A number of schemes in support of the transformation programme were identified which met the qualifying expenditure requirements as detailed within the statutory guidance issued by the MHCLG. It is currently estimated that due to the pandemic and the revision of service priorities, up to £1.9m of the anticipated transformational work cannot be

delivered in year in accordance with the original timescales and is reflected in the financial monitoring position reported above. There is an on-going review of the programme and there is the potential for some work to be brought back on stream and alternative projects to be undertaken thus reducing the adverse impact. The position is being closely monitored and is expected to change in future reports.

5 Conclusion

- 5.1 The current projected position, after adjustment for reserves and receipt of additional Government funding to support COVID pressures, is an overall significant corporate overspend; with the non-COVID related forecast over spending within Community Health and Adult Social Care and the Children's Services Portfolios a cause for concern. As outlined in Section 2, management action is being taken to control expenditure in all areas, particularly those that are not subject to demand changes, in order to offset expenditure over which the Council has little control – especially in attempting to mitigate the impact of COVID-19 on the day to day operations of the Council.
- 5.2 It is anticipated that the month on month financial monitoring reports will begin to reflect the outcome of such activities and show an improved financial forecast for 2020/21. The Director of Finance is putting in place appropriate measures to attempt to reduce the impact of the overspend which will include detailed reviews of all revenue and capital budgets.
- 5.3 In relation to demand led pressures; work, in the form of mitigations and alternative delivery solutions is on-going, there will, however, be an inevitable lead in time for these benefits to be realised. The implications arising from the 2020/21 in year position will be factored into financial planning estimates for 2021/22 and future years as appropriate.
- 5.4 Members should note that any unaddressed in-year pressure will have to be balanced by the use of reserves. Whilst, as outlined above, the Council holds sufficient levels of reserves to cover such a gap, the utilisation of reserves will reduce the Council's financial resilience. A significant reduction in reserves will also limit the ability of the Council to support the implementation of programmes of service transformation and the setting of future years' budgets

Planned Use of Reserves 2020/21 - Quarter 1

Reserve Name	Balance as at 01 April 2020 £000	Forecast use of reserves 2020/21 £000	Anticipated Closing Balance 31 March 2021	Reason for Use of Reserve
Earmarked Reserves				
Directorate Reserves				
Mercury Emissions	0	(84)	(84)	The transfer of a contribution made by via each cremation for the purchase of new Mercury abatement equipment
Fiscal Mitigation				
COVID-19	(10,000)	7,641	(2,359)	This funding was provided by Government to support Local Authorities with additional costs incurred as part of the COVID-19 pandemic
Business Rates	(2,617)	2,047	(570)	Detailed within the Reserves Policy for 2019/20 to 2020/21 is the requirement to transfer an element of the Business Rates gains across to the GMCA as part of the Business Rates Retention pilot agreement. The amount to be transferred across in 2020/21 which relates to 2019/20 is £2.047m
Sub Total	(12,617)	9,604	(3,013)	
Balancing Budget Reserve				
Corporate Reserve to balance budget	(4,182)	4,182	0	As agreed by Council on 26 February 2020, £10.008m of Earmarked Reserves are required to support the 2020/21 budget
Waste Levy Refund 2019/20	(3,113)	3,113	0	
2019/20 Business Rates Pilot Scheme Gain	(1,413)	1,413	0	
Business Rates Retention Returned Funding	(1,300)	1,300	0	
Sub Total Balancing Budget Reserve	(10,008)	10,008	0	
Total Planned use/creation of Earmarked Reserves 2020/21	(22,625)	19,612	(3,013)	
Revenue Grant Reserves				
Growing Oldham Feeding Ambition	(338)	338	0	To continue the Growing Oldham Feeding Ambition project in 2020/21
Total Planned use of Revenue Grant Reserves 2020/21	(338)	338	0	
NET Use of Reserves Earmarked and Grant Reserves	(22,963)	19,950	(3,013)	
Represented by:				
Increase to Reserves	0	(84)	(84)	
Total Use of/ Change to Reserves Earmarked and Grant Reserves	(22,963)	20,034	(2,929)	

FINANCING OF THE 2020/21 BUDGET AT MONTH 3	Original Budget	Additions to M2	Additions to M3	Revised Budget
	£'000	£'000	£'000	£'000
Net Expenditure Budget	(233,524)			(233,524)
Financed by:				
Business Rates Top-up Grant	(41,048)	(606)		(41,654)
Grants in Lieu of Business Rates	(11,230)			(11,230)
Improved Better Care Fund Grant	(10,858)			(10,858)
Independent Living Fund Grant	(2,580)			(2,580)
Adult Social Care Support Grant	(6,954)			(6,954)
Housing Benefit & Council Tax Administration Grant	(1,138)			(1,138)
New Homes Bonus Grant	(598)			(598)
Flexible Homelessness Support Grant	(194)			(194)
Homeless Reduction Grant	(164)			(164)
Rough Sleeping Initiative Grant	(37)			(37)
Lead Local Flood authority grant	(12)			(12)
Department for Works and Pensions (DWP) New Burdens	(122)			(122)
Verify earnings and Pensions service		(30)		(30)
School Improvement Monitoring & Brokerage Grant		(104)		(104)
Capital grants			(3)	(3)
Extended rights to Free Travel			(38)	(38)
Transport Grant			(9)	(9)
SEND Regional Co-ordinator			(24)	(24)
Local authority discretionary fund			(172)	(172)
COVID-19 Funding (Unringfenced)			(8,997)	(8,997)
				0
Total Government Grant Funding	(74,935)	(741)	(9,244)	(84,920)
Council Tax Income - General	(88,078)			(88,078)
Council Tax Income - Adult Social Care Precept	(8,679)			(8,679)
Collection Fund Surplus	(1,400)			(1,400)
Retained Business Rates	(50,424)			(50,424)
Total Locally Generated Income	(148,581)	0	0	(148,581)
Total Grant and Income	(223,516)	(741)	(9,244)	(233,501)
Balance to be addressed by Use of Reserves	(10,008)			(10,008)
Total Financing	(233,524)	(741)	(9,244)	(243,509)

DSG Funding Blocks

There are four DSG funding blocks as explained below:

- Schools
- High Needs
- Early Years
- Central Schools Services

The **Schools block** covers funding for:

- a) Individual mainstream schools and academies
- b) Growth Funding for planned growth by the LA in schools

The **High Needs block** covers funding for the education of pupils subject to Education, Health and Care Plans from age 0-25 in a range of provision including special schools, mainstream schools, alternative provision, independent specialist provision and Council centrally retained expenditure for High Needs.

The **Early Years block** covers:

- a) Two Year Old Funding
- b) Early Years Funding in Schools and Private, Voluntary and Independent provision (PVI's)
- c) Centrally retained expenditure for under 5's

The **Central Schools Services block** covers:

- a) Funding previously allocated through the retained duties element of the Education Services Grant (ESG) which has been discontinued from 2018/19
- b) Central school services which includes the expenditure related to Schools Forum, Premature Retirements, Admissions service and School Improvement
- c) School Licenses
- d) Statutory and Regulatory duties

CAPITAL INVESTMENT PROGRAMME REPORT 2020/21

Quarter 1 - June 2020

1 Background

- 1.1 The original capital programme for 2020/21 reflects the priorities outlined in the capital strategy as approved at Cabinet on 10 February 2020 and confirmed at the Council meeting on the 26 February 2020.
- 1.2 The position as at 30 June 2020 is highlighted in this report but as the year progresses the outturn projections will reflect the evolving position.
- 1.3 For the remainder of the financial year, the programme will continue to be monitored and revised to take account of any new developments and changes in the profile of planned expenditure.

2 Current Position

- 2.1 The approved capital programme summary position for the five financial years 2020/21 to 2024/25, approved by Council on 26 February 2020 is summarised in Table 1 and shows capital programme expenditure of £147.632m in 2020/21.

Table 1 : Original Budget - Capital Programme 2020/21 to 2024/25

2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTAL £000
147,632	131,467	102,510	40,999	56,973	479,581

- 2.2 The 2019/20 Month 9 report approved at Cabinet on 23 March 2020 projected an outturn position of £52.048m. However, the actual outturn was £54.383m, a variance of £2.335m, which required resources being accelerated from 2020/2021 and this is detailed in Table 2 and Appendices A-F.
- 2.3 Table 2 shows the original capital programme forecast spend for 2020/21 at £147.632m. Following the approval of the 2020-2025 Capital Strategy and Capital Programme at Council 26 February 2020, a virement of £11.897m (an increase to the 2020/21 budget) was approved. This revised the 2019/20 capital programme to £52.048m and the 2020/21 programme to £159.529m. The 2019/20 outturn position (variance of £2.335m) required a further realignment of the programme to revised planned spending in 2020/21 to £157.194m.
- 2.4 However, there was then further approved rephasing into future years (£3.668m) the receipt of the additional grants and contributions of £12.219m, and a further proposed variation (£0.073m) to give the projected revised expenditure of £165.672m.
- 2.5 Elsewhere on the agenda is a report summarising the impact of a strategic review of the Creating a Better Place programme. Anticipating approval of the strategic review and its impact on the allocations and profiling of individual schemes that fall

within the scope of Creating a Better Place, the capital programme revised budget and forecast spending have been reduced by in total by £90m of which of which £21.961m relates to 2020/21, revising the 2020/21 capital programme to £143.711m.

- 2.6 Actual expenditure to 30 June 2020 was £18.214m (12.67% of forecast outturn). This spending profile is in line with previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.

Table 2 – 2020/21 Capital Programme

Directorate	Original Budget 2020/21 £000	Outturn Position Revision £000	Further Budget changes £000	Revised Budget 2020/21 £000	Proposed Virement/ Rephase £000	Revised Budget (M03) £000	Forecast £000	Variance £000
Corporate Services	9,450	1	16,560	26,011	-	26,011	26,011	0
Children's Services	15,590	(1,624)	8,004	21,970	-	21,970	21,970	0
Communities and Reform	346	3	(89)	260	-	260	260	0
Community Health & Adult Social Care	3,400	(365)	95	3,130	-	3,130	3,130	0
Housing Revenue Account	5,537	(99)	297	5,735	-	5,735	5,735	0
People and Place	113,309	(251)	(26,380)	86,678	(73)	86,605	86,605	0
Overall Total	147,632	(2,335)	(1,513)	143,784	(73)	143,711	143,711	0

(subject to rounding – tolerance +/- £1k)

- 2.7 As advised above, the £2.335m rephasing is the net acceleration of 2020/21 approved budget to support the outturn for the 2019/20 capital programme. Along with the respective financing this initially reduced the 2020/21 capital programme.
- 2.8 The net budget change of £1.513m represents reprofiling of expenditure since the approval of the Capital Strategy and capital programme at Budget Council on 26 February 2020. It also includes £12.219m of new funding encompassing the Mayor's Challenge Fund grant and some smaller sums including, £0.062m of additional Highways Maintenance Grant, £0.065m of additional Disabled Facilities Grant, £0.014m from private contributions for Disabled Facilities Grant funded schemes and £0.010m from The Big Local Fund. The balance, a net of £8.229m represents the acceleration of funding from 2021/22 and future years to support projects realigned to 2020/21 together with the impact of the strategic review of the Creating a Better Place programme. As can be seen in the table above and at Appendix F, there is significant in year change in the People and Place programme, in relation to Strategic Acquisitions and Town Centre Developments in particular.
- 2.9 The proposed net changes of £0.073m reflect anticipated virements and further rephasing of spending as detailed in Appendix G.

2.10 Due to the COVID-19 pandemic, there remains an element of uncertainty about the forecast position and it is inevitable that this will change in the remaining months; that said the forecasts are based on the latest and most up to date information. A further breakdown of Table 2 on a service by service area basis is shown at Appendices A to F and the detailed breakdown of proposed virement/rephasing, both expenditure and financing, is shown in Appendix G.

Re-profiling of the Capital Programme

2.11 The revised capital programme for 2020/21 to 2024/25, taking into account all the above amendments in arriving at the revised forecast position, is shown in Table 3 together with the projected financing profile.

Table 3 – 2020/2025 Capital Programme

Directorate Budget	Revised Budget 2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Corporate Services	26,011	442	4,200	3,200	10,330	44,184
Children's Services	21,970	15,989	5,000	0	0	42,959
Communities and Reform	260	1	0	0	0	260
Community Health & Adult Social Care	3,130	703	400	400	400	5,033
Housing Revenue Account	5,736	3,922	3,800	2,835	0	16,293
People and Place	86,605	51,602	92,386	48,938	24,573	304,103
Grand Total	143,711	72,659	105,786	55,373	35,303	412,832

(subject to rounding – tolerance +/- £1k)

Funding	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Grant & Other Contributions	(30,911)	(38,733)	(4,452)	(1,973)	(1,973)	(78,042)
Prudential Borrowing	(95,493)	(26,218)	(84,706)	(41,716)	(31,565)	(279,698)
Revenue	(5,741)	(3,922)	(6,200)	(7,735)	-	(23,598)
Capital Receipts	(11,566)	(3,786)	(10,428)	(3,949)	(1,765)	(31,494)
Grand Total	(143,711)	(72,659)	(105,786)	(55,373)	(35,303)	(412,832)

(subject to rounding – tolerance +/- £1k)

2.12 The revised Provision for Emerging Priorities for 2020/21 to 2024/25, taking into account all the above amendments is contained within the Corporate Services budget and is as follows:

Table 4 - Provision for Emerging Priorities

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Provision for Emerging Priorities	1,301	442	4,200	3,200	10,330	19,473

Capital Receipts

2.13 The revised capital programme requires the availability of £11.566m of capital receipts in 2020/21 for financing purposes. The total net usable capital receipts currently received in year is £0.304m.

2.14 The capital receipts position as at 30 June 2020 is as follows:

Table 5 – Capital Receipts 2020/21

	£000	£000
Capital Receipts Financing Requirement		11,566
Usable Capital Receipt b/fwd.	0	
Actual received to date	(304)	
Further Required/(Surplus) in 2020/21		11,262

(subject to rounding – tolerance +/- £1k)

2.15 Given the significant amount of receipts needed to finance the capital programme in this and future years it is imperative that the capital receipts/disposal schedule is adhered to. This is monitored at the monthly Capital Receipts meeting and will be subject to on-going review throughout the year. It is of course recognised that the pandemic has had an impact of business/economic activities making capital disposals more challenging.

2.16 The Capital Strategy and Capital Programme 2020/25 introduced an expectation of the level of receipts that is anticipated in each of the respective years and therefore an estimate as to the resultant level of over or under programming in order to present a balanced budget. The position as at 30 June 2020 is illustrated in the table below:

Table 6 – Capital Receipts 2020/25

Capital Receipts	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Capital Receipts Carried Forward	-	6,960	(98)	8,623	12,322
Estimated Capital Receipts	(4,302)	(10,844)	(1,707)	(250)	(1,074)
Received in year	(304)				
Total Receipts	(4,606)	(3,884)	(1,805)	8,373	11,248
Capital Receipts Financing Requirement	11,566	3,786	10,428	3,949	1,765
Over/(Under) programming	6,960	(98)	8,623	12,322	13,013

(subject to rounding – tolerance +/- £1k)

2.17 As shown above, the most recent projection indicates a potential shortfall in later years of the programme. However, until a thorough review of the asset disposal programme has taken place, it is prudent to retain the current programme and review during the course of the current year.

Annual Review of the Capital Programme

2.18 In accordance with previous practice, there will once again be a review of the capital programme over the summer months (the Summer Review). This will examine any further opportunities to reallocate, decommission or reprofile

resources. It will also include an in-depth analysis of capital receipts which may lead to opportunities to increase resource levels to support new projects or provide an alternative to prudential borrowing.

New Funding

- 2.19 Since 30 June 2020 the Council has been notified of additional grant funding which has not yet been incorporated within financial tables presented above, including £4.172m from the Highway Maintenance Challenge Fund.
- 2.20 In addition, the Council has received notification from the Department of Education of a School Nurseries Capital Fund Grant of £0.274m at Northmoor Academy School Nursery. The grant will create 24 new FTE two-year-old places, 30 wraparound places, and 30 holiday places through a new build on an underused part of the existing site.
- 2.21 The MHCLG notified Oldham of an allocation of £1.000m of Towns Fund Grant to finance capital projects that can be delivered in this financial year. The Towns Fund forms a key aspect of Government plans to 'build back better' to support the economic recovery and central to the government's ambition to enable towns like Oldham to benefit from significant investment through the delivery of transformation projects. The Council has prepared a grant submission so it can access the resources available. This £1.000m is in addition to the £25m Towns fund allocation Oldham has already received.

Regional Funding Allocations

- 2.22 The following grants were announced on 30 June 2020 and awarded to Greater Manchester to take forward a regional programme of investment
- £81m of Brownfield Fund allocation (from a national £360m) to support the development of housing on brownfield sites;
 - £54.2m Getting Building Fund allocation (from a national £900m) to support the delivery of 'shovel-ready' projects intended to provide stimulus to local economies.
- 2.23 Once the Council's share of these grant funding streams has been determined they will be included within the capital programme.

3 Conclusion

- 3.1 Whilst the current projected position is showing the outturn to match the budget, a detailed review of the capital programme (the Annual Review) is being undertaken to establish if there are any surplus resources that can be realigned or any further re-profiling required. Whilst the Creating a Better Place review has recently concluded, it is likely that there will be some further rephrasing across all years to reflect the current developments of individual projects/schemes.
- 3.2 The capital programme is being continually monitored and is reported to Members on a regular basis.

4 **Appendices**

- 4.1 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 Services & 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

SUMMARY – Quarter 1 – Corporate Services

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget M03 £000	Forecast £000	Year End Variance £000
Corporate	9,450	1	16,165	25,616	-	25,616	25,616	-
General Services	-	-	396	396	-	396	396	-
	9,450	1	16,560	26,011	-	26,011	26,011	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Children’s Services

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Children, Young People & Families	50	102	27	179	-	179	179	-
Schools – General Provision	507	(51)	256	712	-	712	712	-
Schools – Primary	4,368	(587)	1,997	5,778	-	5,778	5,778	-
Schools – Secondary	8,582	(686)	(3,483)	4,413	-	4,413	4,413	-
Schools – Special	680	(322)	299	657	-	657	657	-
Schools – New Build	1,403	(80)	8,908	10,231	-	10,231	10,231	-
	15,590	(1,624)	8,004	21,970	-	21,970	21,970	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Communities and Reform

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
District Investment Fund	346	3	(89)	260	-	260	260	-
	346	3	(89)	260	-	260	260	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Community Services & Adult Social Care

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Adult Services	3,400	(365)	95	3,130	-	3,130	3,130	-
	3,400	(365)	95	3,130	-	3,130	3,130	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Housing Revenue Account (HRA)

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Housing Revenue Account	5,537	(99)	297	5,735	-	5,735	5,735	-
Reform Total	5,537	(99)	297	5,735	-	5,735	5,735	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - People and Place

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Asset Management	1,240	(167)	2,247	3,320		3,320	3,320	-
Asset Mgt - Education Premises	2,877	14	1,359	4,250		4,250	4,250	-
Boroughwide Developments	18,450	(7)	(1,905)	16,538		16,538	16,538	-
Development		(26)	294	268		268	268	-
District Partnership – Boroughwide	178	(14)	93	257		257	257	-
Environment – Countryside	100	(169)	71	2		2	2	-
Environment – Parks	-	(36)	292	256		256	256	-
Env - Playing Fields & Facilities	-	(33)	45	12		12	12	-
ICT	4,439	29	623	5,091		5,091	5,091	-
Parks & Playing Fields	-	-	23	23		23	23	-
Private Housing – HMRF	265	4	91	360	(110)	250	250	-
Private Housing	800	-	-	800		800	800	-
Public Realm	-	49	128	177		177	177	-
Schools – Special	-		3	3		3	3	-
Schools – New Build	-		9,500	9,500		9,500	9,500	-
Strategic Acquisitions	7,795	-	(7,795)	-		-	-	-
Town Centre Developments	63,947	(131)	(35,066)	28,750		28,750	28,750	-
Transport - Accident Reduction	120	137	417	674		674	674	-
Transport - Bridges & Structures	1,522	28	2,016	3,566		3,566	3,566	-
Transport - Fleet Management	1,000	(30)	31	1,001		1,001	1,001	-
Transport - Highway Major Works/Drainage schemes	9,988	91	261	10,340	(463)	9,877	9,877	-
Transport – Metrolink	-	(6)	6	-		-	-	-
Transport - Minor Works	497	2	441	940	500	1,440	1,440	-
Transport – Miscellaneous	90	14	420	524		524	524	-

APPENDIX F

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Transport - Street Lighting	-	-	26	26		26	26	-
	113,309	(251)	(26,380)	86,678	(73)	86,605	86,605	-

(subject to rounding – tolerance +/- £1k)

SUMMARY – Quarter 1 - People and Place Cont'd

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Proposed Variations

EXPENDITURE BUDGETS TO BE REPROFILED AS AT 30 JUNE 2020	2020/21	2021/22	Comments
Directorate / Scheme	£000	£000	
People and Place			
Equity Homes Loans	(110)	110	Rephase to Future Years
Transport Investment	(125)	463	Realign & Rephase to Future Years
A640 Huddersfield Road (Phase 1)	(22)		Realign & Rephase to Future Years
A635 Manchester Road	(49)		Realign & Rephase to Future Years
Incentive Fund 2017/18	(175)		Realign & Rephase to Future Years
2019/20 HIP Schemes - Amber	(684)		Realign within Service
2019/20 HIP Schemes - Red	(11)		Realign within Service
C19454 Stannybrook Road (Daisy Nook Farm to Boundary)	(6)		Realign & Rephase to Future Years
A672 Ripponden Road (Dumfries Avenue to Boundary)	(87)		Realign & Rephase to Future Years
2020/21 HIP Schemes - Red	695		Realign within Service
Safe streets response measures: Cycling and walking	501		New Grant
People and Place TOTAL	(73)	573	
TOTAL	(73)	573	

FINANCING BUDGETS TO BE REPROFILED AS AT 30 JUNE 2019	2020/21	2021/22	
Fund Source	£000	£000	
Grants and Contributions	4,098	(4,598)	
Prudential Borrowing	(4,025)	4,025	
Revenue Contribution	-	-	
Capital Receipts	-	-	
TOTAL	73	(573)	