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CABINET

19/10/2020 at 6.00 pm



Oldham
Council

Present: Councillor Shah (Chair Items 1-6)
Councillors Fielding (Chair Item 7) Brownridge, Chauhan,
Jabbar, Moores(from Item 7), Mushtaq, Roberts and Shah

1 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Chadderton. Councillor Fielding was present from Item 6 and Councillor Moores was present from Item 7.

2 **URGENT BUSINESS**

The Chair agreed to accept one Item of Urgent Business Local Investment Fund as a matter of urgency in accordance with S.100 B (4) of the Local Government Act 1972; Urgent Cabinet approval was required as Covid-19 has impacted on delivery timescales and project finances. The formation of the LIF Cabinet Sub-Committee was urgently required to review the ongoing viability of these projects, as well as agreeing additional funding if required.

Approval had been given under Rule 14 of the Council's constitution by the Chair of Overview and Scrutiny Committee to action this report as an urgent item. The report was considered at Item 7 of the agenda.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no public questions.

5 **MINUTES OF THE CABINET MEETING HELD ON 28TH SEPTEMBER 2020**

RESOLVED – That the minutes of the Cabinet meeting held on 28th September 2020 be approved.

6 **REVENUE MONITOR AND CAPITAL INVESTMENT PROGRAMME 2020/21 MONTH 5 – AUGUST 2020**

The Cabinet gave consideration to a report of the Director of Finance which provided 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 31 August 2020 (Month 5) together with the revised capital programme 2020/25, as outlined in section two of the report at Annex 2 of the report.

Revenue Position

The current forecast outturn position for 2020/21 was a projected deficit variance of £16.703m after allowing for approved and pending transfers to and from reserves.

The position also included additional costs and pressures that had been identified by the Authority in this financial year as a direct result of the Governments lockdown arrangements to

mitigate the spread of COVID-19 commencing on 23 March 2020. The additional pressures included forecasts of both income shortfalls and additional expenditure that have impacted on the on the Authority's budgets as a result of the pandemic. The pandemic had affected nearly all aspects of Council service delivery; however, the most significant areas of concern were the People and Place, Services, Children Services and Community Health & Adult Social Care Portfolios. Action was being taken and would continue for the remainder of the financial year to address variances and take mitigating action as detailed in the report.

The overall corporate position was 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 was presented as a single sum so that it highlighted the level of variation across all Council budgets, given that there was insufficient resource to offset the adverse variance. However, this summary report presented the position after applying the Government grant across Portfolio areas. As further General Fund grant was expected in respect of lost income for sales, fees and charges, both the overall financial position and the application of Government grant would therefore change during the course of the financial year.

An update on the major issues driving the projections were detailed within Annex 1, Section 3 of the report.

Section 4 of the report advised Cabinet of the grants that the Council had received including two new allocations; £2.276m of Round 2 Infection Control Grant from the Department of Health and Social Care and £1.580m of Opportunity Area grant from the Department for Education. The latter grant was an unringfenced grant but there was an expectation that this was passported to Children's Services in full and the recommendation in the report reflects this position. In both instances, delegation was sought to allocate the grant to specific eligible initiatives in accordance with Government guidance.

As this financial monitoring report reflected the financial position at Month 5, it could be regarded as an indicator of the potential year end position, however, management action had been initiated across all service areas to review and challenge planned expenditure and to maximise income. Although, the effect of this action had still to take full effect, it was anticipated that by the year end, the outturn position deficit should be reduced and this was starting to be demonstrated in the monthly update reports that have and which would continue to be presented to Cabinet.

Information on the latest position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund was also outlined in the report.

Capital Position

The report outlined the most up to date capital spending position for 2020/25 for approved schemes. The revised capital programme budget for 2020/21 was £142.379m at the close of Month 5, a net decrease of £5.253m from the original budget of £147.632m. Actual expenditure to 31 August 2020 was £32.359m (22.73% of the forecast outturn).



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

Options/alternatives

Option 1 - To approve the forecast revenue and capital positions presented in the report together with the proposed changes including the acceptance of new grants and proposed delegation to the relevant Director and Cabinet Member in consultation with the Director of Finance of the following:

- a. Adult Social Care Infection Control Grant
- b. Opportunity Area Grant (Year 4)

Option 2 – To approve some of the forecasts and changes included in the report.

Option 3 - Not to approve any of the forecasts and changes included in the report

RESOLVED – That:

1. The forecast revenue outturn for 2020/21 at Month 5 being a £16.703m adverse variance having regard to the action being taken to manage expenditure be approved.
2. The Forecast positions for the Dedicated Schools Grant, Housing Revenue Account and Collection Fund be approved.
3. The acceptance of the second tranche of the ringfenced Adult Social Care Infection Control Grant (£2.276m) and the delegation of the distribution of the grant, in accordance with the detailed grant conditions, to the Director of Adult Social Services (DASS) and the Cabinet Member for Health and Social Care in consultation with the Director of Finance be approved.
4. The acceptance of the year 4 allocation of the Opportunity Area (OA) Grant from the Department for Education in the sum of £1.580m, the passporting of the grant to the budget of Children’s Services and delegation of the distribution of the grant to the Director of Children’s Services and the Cabinet Member for Education in consultation with the Director of Finance be approved.
5. The use of reserves as detailed in Appendix 1 to Annex 1 to the report be approved.
6. The revised capital programme for 2020/2024 as at Month 5 as presented in Annex 2 to the report be approved.

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URGENT BUSINESS - LOCAL IMPROVEMENT FUND FOR DISTRICTS (LIF) - APPOINTMENT OF MEMBERS

The Chair agreed to accept one Item of Urgent Business Local Investment Fund as a matter of urgency in accordance with S.100 B (4) of the Local Government Act 1972; Urgent Cabinet approval was required as Covid-19 has impacted on delivery timescales and project finances. The formation of the LIF Cabinet Sub-Committee was urgently required to review the ongoing viability of these projects, as well as agreeing additional funding if required.

Approval had been given under Rule 14 of the Council’s constitution by the Chair of Overview and Scrutiny Committee to action this report as an urgent item. The report was considered at Item 7 of the agenda

The Cabinet gave consideration to report of the Head of Democratic Services which sought approval of appointments to the Local Improvement Fund Cabinet sub-committee.

The Local Improvement Fund had successfully funded 20 projects in the last financial year (2019/20). However, Covid-19 has impacted on delivery timescales and project finances. The formation of the LIF Cabinet Sub-Committee was urgently required to review the ongoing viability of these projects, as well as agreeing additional funding if required.

In addition, there was an additional £500k available for LIF projects in 2020/21, so to support ongoing business planning, as well as Covid-19 recovery planning. The Cabinet Sub-Committee was urgently required to oversee the allocation of this funding through the next Local Improvement Fund funding round, which would be agreed once the committee was established.

Options/alternatives considered

Option 1 – Not to agree the membership of the sub-committee.

Option 2 – To agree the membership of the sub-committee.

RESOLVED – That the Leader, Deputy Leader (Statutory) and the Cabinet Member for Finance and Green be appointed to the Local Improvement Fund Cabinet sub-committee.

The meeting started at 6.00pm and finished at 6.16pm