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



Finance Update – Revenue Monitor and Capital Investment Programme 2020/21 (Month 6 – September 2020)

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

Officer Contact: Anne Ryans, Director of Finance

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

17 December 2020

Reason for Decision

The report provides the Overview and Scrutiny Performance and Value for Money Select Committee with an update on the Council's 2020/21 forecast revenue budget position and the financial position of the capital programme as at 30 September 2020 (Month 6) together with the revised capital programme 2020/25. The report was included on the Cabinet meeting agenda of 30 November 2020.

Executive Summary

The Overview and Scrutiny Performance and Value for Money Select Committee is presented with the report: Revenue Monitor and Capital Investment Programme 2020/21 Month 6 – September 2020 (Appendix A), enabling the Select Committee to continue its review of the financial position of the Council. The report was also included within the 30 November 2020 Cabinet meeting agenda papers.

The report presents the current forecast revenue outturn position for 2020/21 at month 6 together with that of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund. The report also outlines the most up to date capital spending forecasts for 2020/25 for approved schemes.

Recommendation

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

1 Background

- 1.1 The Overview and Scrutiny Performance and Value for Money Select Committee has requested the presentation of the authority's financial monitoring reports so that it may review the financial position of the Council. Members of the Select Committee will recall that, commencing with the month 3 report, monthly updates in relation to revenue and capital have been presented to the Committee, the last one being the month 5 suite of reports presented to the meeting on 12 November 2020. An updated position; the Revenue Monitor and Capital Investment Programme 2020/21 Month 6 – September 2020 is now presented and was also included on the Cabinet agenda of 30 November 2020.
- 1.2 The report and supporting annexes are appended to this summary and will enable the Select Committee to continue to review how the Council is dealing with the financial challenge of the COVID-19 pandemic, how the various additional grants that have been received have been applied and how this translates to the forecast revenue budget position for 2020/21 and future years.

2 Current Position

- 2.1 The report attached at Appendix A provides the Overview and Scrutiny Performance and Value for Money Select Committee with an update on the Council's 2020/21 forecast revenue budget position including that related to the COVID-19 pandemic and the financial position of the capital programme as at 30 September 2020 (Month 6) together with the revised capital programme 2020/25. It also presents the current forecast position for 2020/21 for the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund.
- 2.2 The COVID related expenditure gap is shown as £4.250m and is a considerable reduction of £10.061m compared to the COVID pressure of £14.311m reported at month 5. The reduction is largely as a result of additional funding of £8.928m received from the Government and now includes the confirmed compensation for lost income in relation to sales, fees and charges of £1.282m, which was paid the Authority on 27 November 2020. The basis of the COVID costs is the Round 6 (September) return that was submitted to the Ministry of Housing Communities and Local Government (MHCLG) on 6 October 2020, at which point the financial challenge was estimated to be £12.388m. This estimated financial position was prepared without the inclusion of any of the additional funding incorporated in the monitoring report.
- 2.3 Members will recall that monthly returns are submitted to the MHCLG to assist the Government in assessing the financial pressures being faced by Local Government arising from the COVID-19 pandemic. The Round 7 return was subsequently submitted on 6 November 2020.
- 2.4 The report also provides an update in relation to both ringfenced and un-ringfenced, mainstream and COVID specific grant funding.

3 Options/Alternatives

- 3.1 The Overview and Scrutiny, Performance and Value for Money Select Committee members can either choose to:
- a) note the content of the report
 - b) challenge the information and ask for further detail to be provided at the next meeting.

4 Preferred Option

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

5 Consultation

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

6 Financial Implications

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

7 Legal Services Comments

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

8 Co-operative Agenda

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

9 Human Resources Comments

- 9.1 There are no Human Resource implications.

10 Risk Assessments

- 10.1 The risks are outlined in the appended reports

11 IT Implications

- 11.1 There are no IT implications.

12 Property Implications

- 12.1 There are no Property implications.

13 Procurement Implications

- 13.1 There are no Procurement implications.

14 Environmental and Health & Safety Implications

- 14.1 There are no Environmental and Health and Safety implications.

15 Equality, Community Cohesion and Crime Implications

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

16 Equality Impact Assessment Completed

16.1 Not Applicable.

17 Key Decision

17.1 No.

18 Key Decision Reference

18.1 Not applicable.

19 Background Papers

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

Appendix A (Revenue Monitor and Capital Investment Programme 2020/21 Quarter 2–September 2020):

File Ref: Revenue Background Papers are contained in Annex 1 including Appendices 1 and 2

Officer Name: Andy Cooper

Contact No: 0161 770 4925

File Ref: Capital Background Papers are contained in Annex 2 including Appendices A to G

Officer Name: Lee Walsh

Contact No: 0161 770 6608

20 Appendices

Appendix A Revenue Monitor and Capital Investment Programme 2020/21 Quarter 2 – September 2020

Annex 1 Revenue Budget Monitoring Report 2020/21 Quarter 2 - September 2020

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

Annex 2 Capital Investment Programme Report 2020/21 Month 6 – September 2020

Appendix A SUMMARY – Month 6 - Corporate Services
Appendix B SUMMARY – Month 6 - Children's Services
Appendix C SUMMARY – Month 6 - Communities and Reform
Appendix D SUMMARY – Month 6 - Community Health & Adult Social Care
Appendix E SUMMARY – Month 6 - Housing Revenue Account (HRA)
Appendix F SUMMARY – Month 6 - People and Place
Appendix G SUMMARY – Month 6 - Proposed Variations