

**Present:** Deputy Mayor in the Chair – Councillor Harrison

Councillors Ahmad, Akhtar, Al-Hamdani, Ali, Alyas, Ball, M Bashforth, S Bashforth, Briggs, Brownridge, Byrne, Chadderton, Chauhan, Cosgrove, Curley, Davis, Dean, Fielding, Garry, C. Gloster, H. Gloster, Goodwin, Hamblett, Harkness, Harrison, Hewitt, Hobin, Hulme, A Hussain, Ibrahim, Iqbal, Jabbar, Jacques, Leach, Malik, McLaren, Moores, Murphy, Mushtaq, Phythian, Price, Roberts, Shah, Sheldon, Shuttleworth, Stretton, Surjan, Sykes, Taylor, Toor, Ur-Rehman, Williamson and Williams

1           **TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Alexander, Haque, Hudson and Salamat.

2           **TO RECEIVE COMMUNICATIONS RELATING TO THE BUSINESS OF THE COUNCIL**

The Deputy Mayor made reference to the recent deaths of a former Member of the Council, Brian Lund, two former Mayoresses Kathleen Hudson and Pauline Crowther and a former Chief Executive Colin Smith.

Councillors Sykes and Dean paid tribute to former Mayoress Pauline Crowther.

Councillors Dean, Garry and Sykes paid tribute to former Councillor Lund.

Councillors Ahmad and Sykes paid tribute to former Chief Executive Colin Smith.

Councillors Sheldon, Sykes, Roberts and Byrne paid tribute to former Mayoress Kathleen Hudson.

The Council held a minute's silence in memory of those lost.

3           **TO RECEIVE DECLARATIONS OF INTEREST IN ANY MATTER TO BE DETERMINED AT THE MEETING**

The Mayor informed the meeting that the Standards Committee had granted a dispensation to allow members who had an interest arising from ownership or occupation of property in Oldham, to participate and vote on the setting of the Council Tax and matters directly related to such decision including the budget calculations. All members declared a pecuniary interest in Item 4 – Budget Proposals, but the dispensation was applicable allowing members to participate and vote on Item 4.

Councillor Ahmad declared a personal interest at Item 4g by virtue of his membership in the GMB Trade Union.

Councillor Akhtar declared a personal interest at Item 4g by virtue of his membership in the UNITE Trade Union.

Councillor Ali declared a personal interest at Item 4g by virtue of his membership in the GMB Trade Union.

Councillor Alyas declared a personal interest at Item 4g by virtue of his membership in the CWU Trade Union.

Councillor Ball declared a personal interest at Item 4g by virtue of her membership in the UNITE Trade Union.

Councillor M. Bashforth declared a personal interest at Item 4g by virtue of her membership in the GMB Trade Union.

Councillor S. Bashforth declared a personal interest at Item 4g by virtue of his membership in the GMB Trade Union.

Councillor Briggs declared a personal interest at Item 4g by virtue of his membership in the UNITE Trade Union.

Councillor Brownridge declared a personal interest at Item 4g by virtue of her membership in the GMB Trade Union.

Councillor Chadderton declared a personal interest at Item 4g by virtue of her membership in the UNISON Trade Union.

Councillor Chauhan declared a personal interest at Item 4g by virtue of his membership in a Trade Union.

Councillor Cosgrove declared a personal interest at Item 4g by virtue of her membership in the UNITE Trade Union.

Councillor Curley declared a personal interest at Item 4g by virtue of his membership in a Trade Union.

Councillor Davis declared a personal interest at Item 4g by virtue of his membership in the UNITE Trade Union.

Councillor Dean declared a personal interest at Item 4g by virtue of his membership in the GMB Trade Union.

Councillor Fielding declared a personal interest at Item 4g by virtue of his membership in the GMB and UNISON Trade Unions.

Councillor E. Garry declared a pecuniary interest by virtue of her husband's employment with Greater Manchester Police and a personal interest at Item 4g by virtue of her membership in the USDAW and ANGU Trade Union.

Councillor C. Gloster declared a pecuniary interest by virtue of his receipt of an occupational pension from Greater Manchester Police.

Councillor H. Gloster declared a pecuniary interest by virtue of her husband's receipt of an occupational pension from Greater Manchester Police.

Councillor Goodwin declared a personal interest by virtue of his membership in the UNITE Trade Union.

Councillor Harkness declared a personal interest by virtue of his membership of an Employers Community Trade Union.

Councillor Hewitt declared a personal interest by virtue of his membership in the UNITE and GMB Trade Unions.

Councillor Hulme declared a personal interest at Item 4g by virtue of his membership in the GMB Trade Union.

Councillor Ibrahim declared a personal interest at Item 4g by virtue of her membership in a Trade Union.

Councillor Iqbal declared a personal interest at Item 4g by virtue of his membership in the CWU Trade Union.

Councillor Jabbar declared a personal interest at Item 4g by virtue of his membership in the UNISON and UNITE Trade Unions.

Councillor Leach declared a personal interest at Item 4g by virtue of her membership in the UNITE Trade Union.  
Councillor Malik declared a personal interest at Item 4g by virtue of his membership in the UNITE Trade Union.  
Councillor McLaren declared a personal interest at Item 4g by virtue of his membership in the NEU Trade Union.  
Councillor Moores declared a personal interest at Item 4g by virtue of his membership in the UNITE Trade Union.  
Councillor Mushtaq declared a personal interest at Item 4g by virtue of his membership in the UNITE Trade Union.  
Councillor Phythian declared a personal interest at Item 4g by virtue of his membership in the GMB Trade Union.  
Councillor Price declared a personal interest at Item 4g by virtue of her membership in the GMB Trade Union.  
Councillor Roberts declared a personal interest at Item 4g by virtue of her membership in the GMB Trade Union.  
Councillor Shah declared a personal interest at Item 4g by virtue of her membership in the GMB and Communications Trade Union.  
Councillor Shuttleworth declared a personal interest at Item 4g by virtue of his membership in the GMB Trade Union.  
Councillor Stretton declared a personal interest in Item 4g by virtue of her membership in the GMB Trade Union.  
Councillor Surjan declared a personal interest at Item 4g by virtue of her membership in the UNITE Trade Union.  
Councillor Taylor declared a personal interest at Item 4g by virtue of her membership in the GMB and CWU Trade Unions.  
Councillor Toor declared a personal interest at Item 4g by virtue of her membership in the UNISON Trade Union.  
Councillor Ur-Rehman declared a personal interest at Item 4g by virtue of his membership in the UNITE Trade Union.  
Councillor Williams declared a personal interest at Item 4g by virtue of his membership in the USDAW Trade Union.  
Councillor Harrison declared a personal interest at Item 4g by virtue of her membership in the NEU Union.

Councillor F Hussain joined the meeting before Items 4b) and 4f) and declared a personal interest at Item 4g by virtue of his membership in the USDAW Trade Union.

4

**TO NOTE THE MINUTES OF THE BUDGET CABINET MEETING HELD ON 23RD FEBRUARY 2021 AND TO CONSIDER THE RECOMMENDATIONS OF CABINET IN RELATION TO THE BUDGET FOR 2021/22 AND FURTHER TO THE FOLLOWING ATTACHED REPORTS;**

The Mayor requested and it was RESOLVED that Council Procedure Rule 14 (Rules of Debate) be suspended to enable the Leader of the Council to exceed the time limit for his contribution in moving the Administration Budget to 15 minutes with a 30 second extension and the Deputy Leader of the Main Opposition Group in moving the Main Opposition Budget, a time limit of 10 minutes with a 30 second extension. All other speakers would be limited to 4 minutes with a 30 second extension.

The Mayor requested and it was **RESOLVED** to amend the order of business in the summons to enable the debate on the Capital Programme and the Revenue Budget to take place at the same time in accordance with Council Procedure 12.4(c). The order of business would be Item 4(a), Item 4(d), Item 4(e), Items 4(b) and (f) at the same time, Item 4(g) and then Item 4(c).

The Mayor informed members that regulations had been implemented which required recorded votes on specific decision at the Budget Council meeting. Members would be advised when a recorded vote was required.

Prior to the consideration of the Budget Proposals, the Mayor asked the Council to note the draft minutes of the Cabinet meeting held on 23<sup>rd</sup> February 2021.

On a vote being taken, the recommendation was **CARRIED UNANIMOUSLY**.

**RESOLVED** that the minutes of the Cabinet meeting held on 23<sup>rd</sup> February 2021 be noted.

a) Housing Revenue Account Estimates for 2021/22 to 2025/26 and Proposed Outturn for 2020/21

Councillor Roberts **MOVED** and Councillor Jabbar **SECONDED** a joint report which set out the latest Housing Revenue Account (HRA), the detailed budget estimates for 2021/22, the strategic estimates for the four years 2022/23 through to 2025/26 and outturn estimate for 2020/21. The report also set out the recommended dwelling, nondwelling rents and service and concierge charges to be applied from April 2021.

It was noted that HRA activities were a key element of the Council's Housing Strategy (approved by Council on 10 July 2019) which aimed to provide a diverse Oldham housing offer that was attractive and met the needs of different sections of the population at different stages of their lives.

After taking all relevant issues into account, the projected financial position for 2020/21 was estimated to be a £1.384m positive variance when compared to the original budget forecast for 2020/21 approved at the Budget Council meeting, 26 February 2020. Most of the variance was attributable to the re-profiling of HRA funded capital schemes into later years due to revisions to planned spending profiles. The balance at the end of 2020/21 was projected at £19.614m.

The financial position for 2021/22 showed an estimated HRA closing balance of £17.463m which was sufficient to meet future operational commitments and the potential financial pressures identified in the risk assessment.

The 2021/22 position had been presented after allowing for an increase in dwelling rents of 1.5%, an increase in non-dwelling rents in line with individual contracts, the

freezing of all service charges and the setting of Extra Care Housing concierge charges to fully recover costs. Members were reminded that the Government had previously advised that PFI properties were exempt from Central Government's 1% Social Rent Reduction policy. This policy had ended on 31 March 2020. Since then, Central Government had reverted to its pre-2015 guidance for the period 2020-2025 for all properties, confirming all rents were calculated based on the Consumer Price Index (CPI) rate at September of the preceding year plus 1%. All Oldham's budget projections for the 2021/22 budget would follow the rent setting guidance of CPI plus 1%, resulting in an increase of 1.5% (CPI was taken as at September 2020).

The financial projections for the HRA over the period 2020/21 to 2025/26 showed an overall reduction in the level of balances from £19.614m at the end of 2020/21 to £3.906m at the end of 2025/26. HRA resources were to be used to support several major approved housing capital projects including development within the town centre and on numerous smaller sites around the borough. There was also a commitment to purchase currently empty properties owned by private sector landlords to increase the number of Council owned housing stock.

The HRA detailed budget for 2021/22 and strategic estimates for the four years 2022/23 to 2025/26 and the outturn estimate for 2020/21 had been presented to the Overview and Scrutiny Performance and Value for Money Select Committee on 28 January 2021. The Select Committee was content to commend the report to Cabinet without amendment. Cabinet had duly considered and approved the report at its meeting on 23 February 2021 and commended the report to Council.

No members spoke on this item.

**RESOLVED that:**

1. The Forecast HRA outturn for 2020/21, as outlined at Appendix A of the report, be approved.
2. The Proposed HRA budget for 2021/22, as outlined at Appendix B of the report, be approved.
3. The strategic estimates for 2021/22 to 2025/26, as outlined at Appendix D of the report, be approved.
4. The proposed increase to dwelling rents for all properties of 1.5% be approved.
5. The proposed increase to non-dwelling rents as per individual contracts be approved.
6. The proposal that service charges were unchanged be approved.
7. The proposal to set Extra Care Housing concierge charges to fully recover actual costs be approved.



d) Statement of the Chief Financial Officer on Reserves, Robustness of Estimates and Affordability and Prudence of Capital Investments



Councillor Jabbar MOVED and Councillor Fielding SECONDED a report of the Director of Finance which sought agreement to the level of balances necessary to support the 2021/22 budget underpinned by the agreed policy on Earmarked Reserves, setting a properly balanced revenue budget which included the financing of capital investments within the present investment proposals.

Members were informed that, in order to comply with Section 25 of the Local Government Act 2003; the Authority's Chief Financial Officer (the Director of Finance) was required to report on the robustness of the estimates made for the purposes of the revenue budget calculations and the adequacy of the proposed reserves. This information enabled a longer-term view of the overall financial resilience of the Council to be taken. It also reported on the Director of Finance's consideration of the affordability and prudence of capital investment proposals. The level of general balances to support the budget and an appropriate level of Earmarked Reserves maintained by the Council in accordance with the agreed Council Policy on Earmarked Reserves, were an integral part of its continued financial resilience supporting the stability of the Council.

Members noted that there had been several reports issued on the subject of the financial resilience of Local Authorities alongside the publication by the Chartered Institute of Public Finance & Accountancy (CIPFA) of a Local Authority Financial Resilience Index and the implementation of a Financial Management Code. These issues were highlighted in Section 5 of the report but were largely prompted by the financial challenges at Northamptonshire County Council during 2018 followed by both Nottingham City Council (NCC) and the London Borough of Croydon Council (LBC) in 2020 and the raising of significant concerns about the financial stability of other Local Authorities. On 10 February it was announced that four other Councils were to be provided with financial support by the Ministry of Housing, Communities and Local Government (MHCLG) in the form of a capitalisation direction. This was to provide support in 2020/21 and to ensure that they were able to set a balanced budget for 2021/22.

Whilst the Council had prepared a detailed revenue budget within a three year Medium Term Financial Strategy (MTFS), a five year Capital Programme and continued the closure of accounts within an appropriate timeframe allowing early focus on the upcoming challenges

and a robust financial transformation programme, there continued to be a reliance on the use of reserves to balance the revenue budget.

Since 2016/17, reserves of £32.945m had been used to underpin the Council's revenue budget alongside a number of one-off measures. In 2020/21, £10.008m of reserves and £5.150m of one-off measures were used to support the revenue budget. Included within the Medium Term Financial Strategy was the required use of reserves of £29.000m over the next two financial years. For 2021/22, it was proposed to use corporate reserves of £16.703m and specific reserves of £0.127m together with £25.456m to offset the Collection Fund deficit arising from the awarding of business rates reliefs in 2020/21 (this was a technical accounting adjustment) combined with one-off measures totalling £2.000m. The remaining corporate Balancing Budget reserve of £12.297m would be used to support 2022/23.

There was, therefore, a considerable reliance on the use of reserves to balance the budget in 2021/22 and also 2022/23. The continued use of reserves and one-off measures had the impact of deferring the changes that were required to balance the revenue budget by on-going sustainable means. The implementation of the next phase of the transformation programme in 2021/22 was expected to begin to address this challenge although this had been impacted by the global pandemic. The expected benefits of the transformation programme would be phased over several financial years and would be supported by the use of reserves over the short term. As detailed within the Council's Audit Completion Report, presented alongside the Statement of Accounts, the External Auditors concluded that for 2019/20 the Council had made proper arrangements to deliver financial sustainability in the medium term. However, it was also pointed out that "The Council has significant levels of Earmarked Reserves as at 31 March 2020, but these are not sufficient to sustain the Council's financial position over the medium term". It was important to note that the public findings into both NCC and LBC indicated Councils at risk of not being able to agree balanced budgets as their reserves were insufficient to mitigate either in year or 2021/22 estimated shortfalls in resources. LBC was still awaiting a response

to its request for support from the MHCLG.

Members noted that financial resilience depended in part on the Council maintaining an adequate level of reserves as set out in the report. In order to scrutinise the level of reserves held by the Council the policy on Earmarked Reserves was considered by the Audit Committee in July 2020 and it was proposed to action the same review again in 2021/22 after the closure of the accounts for 2020/21.

Whilst the Council was utilising a number of reserves to support the 2021/22 revenue budget and anticipated a use of reserves in 2022/23, Members were assured that

Oldham Council currently remained financially resilient. Work was taking place to address the on-going financial pressures that the Council was facing. At the start of 2021/22 it continued to be well placed to meet the difficult financial challenges ahead. However, this strategy relied on the delivery of the transformation programme over the short to medium term, so the comments made by the external auditor to support the value for money conclusion for the financial year-end 2020/21 were fair. However, transformational change at pace was required. Public findings reported elsewhere have shown that some Authorities have not, in a small number of cases, been able to deliver the level of transformational savings required. Members were advised of the robustness of the estimates and the affordability and prudence of capital investments for 2021/22. Despite the use of reserves over recent years, the level of reserves remained adequate to support the 2021/22 financial position and demonstrated financial resilience. However, this was only the case provided that action was taken to ensure that the balances were set at the level of £15.641m for 2021/22 as calculated in the report and that all budget options, or in year alternatives, were delivered as planned and monitored. The Statement of the Chief Financial Officer was presented for scrutiny to the Overview and Scrutiny Performance and Value for Money Select Committee on 28 January 2021. The Select Committee was content to commend this to Cabinet. In turn, Cabinet approved the report at its meeting on 23 February 2021 and commended the report to Council.

No members spoke on this item.

**RESOLVED that:**

1. The proposed General Fund Balance currently calculated for 2021/22 at £15.641m be approved.
  2. The initial estimate of General Fund Balances to support the Medium Term Financial Strategy be noted as follows:
    - £17.349m for 2022/23 and
    - £18.602m for 2023/24.
  3. The intended report to be presented to the Audit Committee on Earmarked Reserves to ensure this area was subject to the appropriate scrutiny be approved.
  4. The actions necessary to secure a properly balanced budget as presented in paragraph 3.6 of the report be noted.
  5. The actions necessary to ensure the prudence of the capital investments as noted in Section 4 of the report be approved.
- e) Council Tax Reduction Scheme 2020/21



Councillor Jabbar MOVED and Councillor Fielding SECONDED a report of the Director of Finance which presented the proposed Council Tax Reduction Scheme for 2021/22 for approval.



Members were reminded that there was a requirement to have a Council Tax Reduction (CTR) scheme to support residents who qualified for assistance in paying Council Tax. The Local Government Finance Act 2012 placed a requirement that each year a billing authority must consider whether to revise its Council Tax Reduction scheme or to replace it with another scheme. Any change to the 2021/22 scheme must be agreed by full Council in line with budget setting and no later than 10 March 2021. For Oldham, this required the Council to agree a revised 2021/22 scheme at the 4 March 2021

Council meeting. Any proposed change must be subject to prior consultation with the major preceptors, such as the Greater Manchester Combined Authority, and the public.

Since 2015/16, the CTR scheme had limited CTR to a maximum of 85% of Council Tax for a Band A property and removed the second adult rebate for those of working age. Following a public consultation exercise in Autumn 2018, the scheme was then amended from April 2019 to introduce a range of changes to the scheme largely aimed at those CTR claimants who receive Universal Credit (UC). These included the application of some earnings disregards and treatment of information received from the Department for Work and Pensions (DWP) about UC as a claim for CTR. There were no changes to the CTR scheme for 2020/21.

Members were informed that the number of CTR claimants of working age had increased during the COVID-19 pandemic and this impacted on the level of Council Tax that could be collected by reducing the Council Tax Tax Base. Local Council Tax Support Grant funding of £3.183m had been allocated for Oldham to offset the impact of increased caseloads on the tax base and this would be allocated to support the financial position of the Council for 2021/22.

The economic impact of the pandemic in 2020/21 for those CTR claimants of working age had been partly offset by Government support in the form of the Hardship Fund grant which offered an additional reduction in Council Tax bills of up to £150. The Council also used the Hardship Fund grant to ensure CTR claimants were not detrimentally affected by the change in Housing Benefit earnings disregard regulations introduced under the Social Security (Coronavirus) (Further Measures) Regulations 2020 (SI 2020/371). This Hardship Fund protection would not be in place in 2021/22.

Members noted there was continued uncertainty about future impacts of the pandemic for residents and the local

economy which would impact on the Council's ability to accurately model any proposed changes to the 2021/22 CTR scheme.

Members were informed that the Council Tax was accounted for in the Collection Fund and had an impact on the General Fund budget of the Council one year in arrears. The Collection Fund challenges created by the pandemic had been acknowledged by the Government and it had allowed Councils to manage the impact of Council Tax (and Business Rates) losses in the Collection Fund for 2020/21 over 3 financial years rather than one. It had also provided support in 2021/22 in the form of the Local Council Tax Support Grant as well a support for both irrecoverable Council Tax and Business Rates income losses through a Local Tax Income Guarantee for which a sum of £1.000m had been incorporated into the 2021/22 budget. These areas of Government financial support were important in considering the approach to the CTR scheme for 2021/22.

Members were requested to approve the recommendation to maintain the current Council Tax Reduction scheme in 2021/22, being mindful of the aim of ensuring continuity about entitlement to those residents on the lowest incomes.

The Council would continue to maintain a hardship provision for those residents in most need which was currently funded from the Council's existing revenue budget at a value of £0.144m. The Council would consider its financial position during 2021/22 to assess if further support could be given to those residents in most need and to alleviate the impact of the loss of 2020/21 COVID Hardship awards.

At its meeting on 28 January 2021, the Overview and Scrutiny Performance and Value for Money Select Committee (PVFM) scrutinised the proposed Council Tax Reduction Scheme for 2021/22.

The Select Committee was content to agree the proposal that there were no changes to the 2020/21 CTR scheme for 2021/22. It was therefore content to commend the proposed CTR scheme for 2021/22 to Cabinet without additional comment. On 23 February 2020, Cabinet had considered the proposal that there were no changes to the 2020/21 CTR scheme for 2021/22 and agreed to commend the report without amendment to full Council.

No members spoke on this item.

**RESOLVED that:**

1. The Council Tax Reduction scheme, unchanged in 2021/22, be approved.
2. The financial position during 2021/22 be reviewed to assess whether resources could be found to support additional Exceptional Hardship Payments to support those residents in most need in 2021/22 and to alleviate the impact of the loss of COVID Hardship Fund grant awards.

b) Capital Strategy and Capital Programme 2021/22 to 2025/26

Councillor Fielding MOVED and Councillor Jabbar SECONDED a report of the Director of Finance which set out the Capital Strategy for 2021/22 to 2025/26 and thereby the proposed 2021/22 capital programme, including identified capital investment priorities, together with the indicative capital programme for 2022/23 to 2025/26, having regard to the resources available over the life of the programme.

The Capital Strategy

Members were informed that the Council's Capital Strategy and capital programme were set over a five year timeframe. The proposed Capital Strategy and programme for 2021/22 to 2025/26 took the essential elements of the 2020/25 and previous years' strategies and programmes and moved them forward in the context of the financial and political environment for 2021/22. The Strategy included a longer term vision, a forward look at those projects that were likely to run beyond the five year strategy and programme period or be initiated subsequently. This covered a timeframe for the 10 years from 2026/27 to 2035/36.

The format of the Capital Strategy reflected the latest Prudential and Treasury Management Codes issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The strategy therefore presented:

- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- An overview of how the associated risk is managed; and
- The implications for future financial sustainability.

The Capital Strategy was presented at Appendix 1 of the report and ensured that all Council Members were presented with the overall long-term capital investment policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite. The Strategy incorporated the refreshed and updated elements of the Creating a Better Place Strategy, the Medium-Term Property Strategy and Housing Strategy. Following a review of the Capital Programme, as a result of the unprecedented economic circumstances due to the impact of the COVID-19 pandemic and the revised terms for PWLB borrowing, the principles established to complement the Capital Strategy as contained in the Commercial Property Investment Strategy and Fund and the Income Generation Strategy had been removed from the Capital Programme.

The Capital Strategy section (section 1) highlighted the impact of COVID-19 and the way this had shaped capital

spending plans for 2021/22 and future years. During 2020/21, the COVID-19 pandemic had a major impact on the borough, its residents and the economy. The financial year 2021/22 would begin, at least, with a COVID-19 influence, however, it was expected, now that several vaccines were available, that normal activities would be resumed and the Council's capital spending plans which had inevitably been interrupted in 2020/21, could get back on track during 2021.

The pandemic had presented significant challenges for the feasibility, design and delivery of capital projects. As well as practical issues associated with maintaining safe working arrangements, supply chains and similar issues, it had been necessary to revisit significant elements of the strategy to ensure the priorities for capital investment remained

appropriate in the context not only of the Council's challenging financial position but having regard to the potential longer-term impact of pandemic on the economy and the potential for behavioural changes in work and transport needs as well as retail and leisure pursuits. Members noted that, in preparing the Capital Strategy for 2021/22, it was important to consider publication by HM Treasury in March 2020 of a consultation document seeking views on proposed changes to the lending terms of the Public Works Loan Board (PWLB). The Government launched the consultation as it was concerned that PWLB resources were being used to fund commercial investments solely for income generation purposes and carried a significant degree of risk. Alongside the 2020 Spending Review in November 2020, the Government largely confirmed the proposals set out in the original consultation meaning there would be stricter conditions associated with the approval of PWLB loans to Local Authorities. The PWLB would no longer provide loans to a Local Authority if their Capital Strategies included any plans to buy investment assets primarily for income generation. These new terms applied to all loans arranged on or after 26 November 2020. The Capital Strategy had been prepared to ensure that the Council was able to access PWLB funds despite the significant change to the lending criteria.

In early February 2021, in response to the recent recommendation of the Public Accounts Committee and the substantial increase in commercial investment, CIPFA launched a consultation to consider proposals to strengthen the provisions within the Prudential Code for Capital Financing in Local Authorities. The areas that were proposed for strengthening were primarily linked to commercial investment. The Prudential Code consultation was aligned to a further consultation on The Treasury Management in Public Service Code of Practice. The consultation periods for both would close on 12 April 2021. The Council would prepare a response to both consultations.

The National Infrastructure Strategy (NIS) published alongside the Chancellor's 2020 Spending Review contained a range of Government capital spending announcements. The announcements contained little specific detail, and in some cases represented initiatives previously announced, however the NIS set out a considerable investment intention focussed on:

- Boosting growth and productivity across the whole of the UK;
- Driving recovery and rebuilding the economy;
- Levelling up between regional areas and strengthening the Union;
- Putting the UK on the path to meeting its net zero emissions target by 2050 by
- decarbonising the economy and adapting to climate change;
- Supporting private investment in infrastructure; and
- Accelerating and improving the delivery of infrastructure projects.

The Council would aim to access the maximum level of NIS resources to support projects in Oldham and the wider Greater Manchester region, working with the Greater Manchester Combined Authority (GMCA) and other GM Authorities as necessary

Annex C of Appendix 1 set out the proposed capital expenditure and financing for the period covered by the Capital Strategy, 2021/22 to 2025/26.

The Strategy also advised that the Council was proposing to continue to use the flexibility provided by the Ministry of Housing, Communities and Local Government (MHCLG) to use capital receipts to fund the revenue cost of transformation. The 2021/22 revenue budget would rely on up to £2.000m of such funding from capital receipts. Annex D set out the required Flexible Use of Capital Receipts Strategy which advised of the summary of planned receipts, use and savings.

#### Capital Programme 2020/21 to 2024/25

The 2020/21 month 8 capital monitoring position approved at Cabinet on 23 February 2021 included expenditure projections that were a key determinant of the 2021/22 programme. As many schemes spanned more than one year, the anticipated level of reprofiling between years set the underlying position.

The projected outturn spending position for 2020/21 was £81.013m. The People and Place Directorate which managed all of the major regeneration projects, constituted the main area of expenditure. Grants and Other Contributions (£20.151m) followed by Prudential Borrowing provided the main source of financing (£53.553m).

Actual expenditure to 30 November 2020 was £50.566m (62.24% of forecast outturn). This spending profile was in line with that in previous years, however the position would be kept under review and budgets would continue to be managed in accordance with forecasts.



## Capital Programme 2021/22 to 2025/26

Members were informed that the Council had set out its capital programme for the period 2021/22 to 2025/26 based on the principles of the Capital Strategy. The Capital Programme and Capital Strategy had been influenced by the level of resources considered available. The level of prudential borrowing included reflected the financing available in the revenue budget, capital receipts aligned with forecasts and grant funding and other contributions were based on already notified allocations or best estimates at time of preparation. If additional

resources became available, projects that met the Council's strategic capital objectives would be brought forward for approval.

Due to the impact of the COVID-19 pandemic on a number of schemes, over the summer months the capital programme for 2020/21 was significantly re-phased. On 24 August 2020, Cabinet approved a revised vision and strategic framework for 'Creating a Better Place' which had associated with it a significant level of investment. The revised vision placed more emphasis on economic recovery and accelerating the potential for generating revenue budget savings. The report was the culmination of a fundamental review of the programme which commenced in April 2020 close to the start of the pandemic. Following the review and in anticipation of the PWLB consultation outcome the Creating a Better Place Strategy was reduced by approximately £90.000m.

As at the month 8 capital monitoring position, the anticipated expenditure over the five year life of the 2020/21 to 2024/25 strategy was £404.630m, taking 2020/21 aside (£81.013m) left £323.617m for the remainder of the approved 2021/22 to 2024/25 capital programme. Following the refresh of existing strategies including Creating a Better Place, and moving forward the planning period by one year, the Capital Strategy for 2021/22 to 2025/26 totalled £341.580m.

The capital programme included proposed expenditure for 2021/22 of £86.002m, with the largest area of expenditure being on regeneration, schools, transport and infrastructure projects within People and Place Directorate. Total expenditure increased to £94.153m in 2022/23, then decreased to £71.418m, £62.553m and £27.454m in 2023/24, 2024/25 and 2025/26 respectively.

Following the review and in anticipation of the PWLB consultation outcome the Creating a Better Place Strategy was reduced by approximately £90.000m.

As at the month 8 capital monitoring position, the anticipated expenditure over the five year life of the 2020/21 to 2024/25 strategy was £404.630m, taking 2020/21 aside

(£81.013m) leaves £323.617m for the remainder of the approved 2021/22 to 2024/25 capital programme. Following the refresh of existing strategies including Creating a Better Place, and moving forward the planning period by one year, the Capital Strategy for 2021/22 to 2025/26 totals £341.580m.

The capital programme includes proposed expenditure for 2021/22 of £86.002m, with the largest area of expenditure being on regeneration, schools, transport and infrastructure projects within People and Place Directorate. Total expenditure increases to £94.153m in 2022/23, then decreases to £71.418m, £62.553m and £27.454m in 2023/24, 2024/25 and 2025/26 respectively.

#### Resources Available to Support the Capital Programme

Members noted that the Government was continuing to provide significant levels of grant funding. The main sources of grant income were the Highway Maintenance Grant at £10.980m, along with Education-related Basic Need Capital grant provision of £10.677m over the life of the programme. There were also considerable resources allocated to the Council via the GMCA including the Mayors Cycling and Walking Challenge Fund (£11.273m in 2021/22).

The grant funding provided by Government could be split into two categories: un-ringfenced and ringfenced resources, as explained in Section 10 of the Capital Strategy. The majority of capital Government Grant funding was un-ringfenced. Resources classified as ringfenced

had to be utilised to finance particular categories of expenditure and therefore were restricted in their use.

The 2021/22 capital programme relied on £11.459m of unringfenced and £24.210m of ringfenced grants.

As in previous years, a major source of financing remained prudential borrowing. The amount required in 2021/22 (£42.871m) included borrowing attributed to schemes that had slipped from prior years as well as new borrowing associated with the regeneration programme.

The timing of the borrowing was linked to the cash position of the Council and might therefore not mirror the spending/financing profile set out in the report.

#### On-going Review of the Capital Programme

There would be a continued review of capital spending requirements as the Council had further regeneration ambitions, but affordability and deliverability would be a key consideration in this regard. It was, however, possible that the capital position may change prior to the start of 2021/22 and during the year as:

- There might be further Government funding allocations announced prior to the start of 2021/22 including those related to the Towns Fund.

- The outcome of specific grant bids which would be announced during 2021/22.
- It was also likely that there would be new initiatives announced later in the financial year.
- There might also be the opportunity to bid for additional funding.
- The Council may identify other funding sources, including capital receipts, to finance additional capital expenditure.

Therefore, the overall capital programme position would be kept under review and any new information regarding funding allocations would be presented to Members in future reports.

#### Consultation

There had been consultation with the Members of the Capital Investment Programme Board on the proposed Capital Strategy and Capital Programme for 2021/22 to 2025/26. The consideration of the proposed Capital Strategy and Capital Programme for 2021/22 to 2025/26 by the Overview and Scrutiny Performance and Value for Money Select Committee on 28 January 2021 was a key element of the consultation process. The Select Committee was content to commend the report to Cabinet. The Cabinet considered the report at its meeting on 23 February 2021 and was content to commend the report to Council.

No members spoke on this item.

#### **RESOLVED that:**

1. The Capital Strategy for 2021/22 to 2025/26 as detailed at Appendix 1 of this report and summarised at Section 2.1 of the report be approved.
  2. The Capital Programme for 2021/22 and indicative programmes for 2022/23 to 2025/26 at Annex C of Appendix 1 to the report and summarised at Sections 2.2 to 2.6 of the report be approved.
  3. The Flexible Use of Capital Receipts Strategy as presented at Annex D of Appendix 1 to the report be approved.
- f) Revenue Budget 2021/22 and Medium Term Financial Strategy 2021/22 to 2023/24  
Councillor Fielding MOVED and Councillor Jabbar SECONDED a report of the Director of Finance which provided Council with the forecast budget reduction requirement and the Administration's budget proposals for 2021/22 together with forecast budget reduction requirement estimates for the period 2022/23 to 2023/24 having regard to the Provisional Local Government Finance Settlement published on 17 December 2020 and associated announcements and the subsequent Final Local Government Settlement approved on 10 February 2021 and the February 2021: COVID-19

## Funding for Local Government in 2021 to 2022 Policy Paper.

This report set out proposals for the Council's Revenue Budget for 2021/22 and Medium Term Financial Strategy for 2021/22 to 2023/24. The report advised Members of the key financial challenges and issues which would be faced by the Council over the forecast period and set out the Administration's revenue budget proposals for 2021/22 together with updated budget reduction requirement estimates for the period 2022/23 to 2023/24. The report presented the purpose and scope of the Medium Term Financial Strategy and how it had a vital role to play in enabling the translation of the Council's ambition and priorities into action.

It also advised of the national policy landscape and economic context in which the Council was setting its revenue budget for 2021/22 and Medium Term Financial Strategy to 2023/24.

Section 4 highlighted the local strategies and policies relevant to the Medium Term Financial Strategy including the Oldham Plan and Corporate Plan, Financial Policies and Strategies as well as other major strategies which had an influence on the allocation of Council resources. Developments in Local Government Finance were included at Section 5 incorporating the Financial Management Code, the review of Relative Needs and Resources, Business Rates Reform and Revaluation together with a commentary on the Council's financial resilience.

The report also highlighted policy announcements and implications arising from the Government's 2020 Spending Round published on 25 November 2020; Provisional Local Government Finance Settlement (LGFS) published on 17 December 2020 together with the complementary COVID Funding for Local Government in 2021/22 Consultative Policy Paper; Final Local Government Finance Settlement approved on 10 February 2021; and February 2021: COVID-19 Funding for Local Government in 2021 to 2022 Policy Paper.

Key items of funding confirmed in the 2021/22 LGFS were:

- Continuation of the expected Improved Better Care Fund Grant at a value of £10.859m;
- An increase to the Social Care Support Grant of £1.993m taking the total allocated to £8.947m. The £1.993m had been used to support the budget by offsetting assumed pressures in the children's and adults social care budgets;
- A new 2021/22 allocation for Lower Tier Services Support Grant (£0.407m). This new grant had been used to support the 2021/22 budget;
- The switching of unringfenced homelessness grant funding of £0.358m to a new ringfenced grant, the Homelessness Prevention Grant of £0.532m; and

- A small increase to the Business Rates Top Up grant of £0.207m, however this was offset by a reduction of Grants in Lieu of Business Rates of £1.294m (as informed by completion of business rates information for Central Government).

Key items confirmed in the COVID-19 Funding for Local Government in 2021 to 22 Policy Paper were:

- A Local Tax Income Guarantee grant for 2020/21. A sum of £1.000m was anticipated and would be incorporated into the accounts for 2020/21. This would then be taken forward as a reserve to support the budget for 2021/22;
- The notification of a new Local Council Tax Support Grant at a sum of £3.183m. This had been used in full to support the 2021/22 budget;
- The allocation of unringfenced COVID grant of £7.737m. This had been used to finance COVID related pressures that had been anticipated of £3.741m. The balance offsets anticipated further pressures; and
- The continuation of Sales, Fees and Charges grant compensation for the first quarter of 2021/22. The availability of this potential funding stream was part of the budget strategy to address COVID.

The LGFS confirmed referendum limits for a general purpose Council Tax increase and the Government would permit rises of up to 2% per annum for 2021/22 without the need to hold a referendum.

The Government also confirmed the continued ability to charge an Adult Social Care Precept allowing a combined increase of up to 3% in Council Tax across 2021/22 and 2022/23 (ringfenced for use for Adult Social Care).

The Council Tax referendum limits for 2021/22 applicable to the Council therefore allowed an overall increase of 4.99% without requiring a referendum.

Members were reminded that the Council Tax policy approved within the 2020/21 budget was that for 2021/22, the Council would revert to its previous position. The Council would therefore increase Council Tax by 2% for the Adult Social Care Precept (ASCP) and 1.99% for general

purposes; an overall increase of 3.99%. The referendum limits for 2021/22 as advised above would permit this approach. However, mindful of the financial position of the Authority but also the impact of a further increase in Council Tax on the citizens of Oldham, a revision to Council Tax policy was therefore proposed. Whilst the 2% increase in relation to the ASCP would continue, Council Tax for general purposes would increase by 0.99% rather than 1.99%. In overall terms the Oldham Council Tax would increase by 2.99%. The Council proposed to use the flexibility allowed to defer a further 1% in the ASCP to 2022/23.

The Government proposed not to set Council Tax referendum principles for Mayoral Combined Authorities



in 2021/22 but had set referendum principles for Police and Crime Commissioners (including the GM Mayor) capped at a value of £15. The Mayoral General precept (including Fire Services) had been kept at 2020/21 levels – with a Band D Council Tax Charge of £90.95. The Mayoral Police and Crime Commissioner Precept had increased by £10, giving a Band D Council Tax change of £218.30.

The report also advised of the proposal to leave the Council Tax Reduction Scheme for 2021/22 unchanged from 2020/21. However, during 2020/21, working age Council Tax reduction recipients had benefitted from support of £150 from a Government Hardship fund. This scheme was not continuing in 2021/22 and it was recommended that the Council reviewed its financial position during 2021/22 to determine if it was able to provide any additional hardship relief.

Members were informed that the starting point for preparing the 2021/22 revenue budget estimates was the Month 8 2020/21 revenue budget forecast outturn position and summarised in Section 8. It highlighted a current adverse projected variance for 2020/21 of £8.330m (including COVID pressures). A reduction in this overspend position was anticipated as a result of further funding being provided by Central Government and contributions from partners alongside management actions. However, it was important to note that if there was any remaining overspending at the end of 2020/21 then it would need to be funded by the use of reserves. Section 9 of the report detailed key budget adjustments and expenditure pressures underpinning the forecasts that provided the backdrop for the Council's Medium Term Financial Strategy including the mid-year adjustment to estimates from a budget reduction requirement of £23.251m to £29.940m (rounded to £30.000m). The major elements of this adjustment were addressing budget reduction proposals for 2020/21 (some approved in the budget for 2019/20) that could be achieved (£2.089m), reduced treasury management income of £6.600m and an assumption that Flexible Use of Capital receipts at a value of £2.000m would support the budget.

Since the mid-year budget review, there had been further changes to the estimates. Key expenditure adjustments following the mid-year review included:

- £0.441m for additional treasury management and education services pressures.
- £7.737m for pressures arising from COVID fully financed by Government grant.
- A net reduction of pressures of £2.159m due to:
  - a revision of estimates for the cost of financing capital expenditure (Investment Fund) at a reduction of £1.650m.
  - reducing the estimate for pay inflation (£1.017m).

- releasing unallocated Development Fund resources of £0.825m but in effect using it to finance pressures relating to a contract with a third party supplier (£0.500m) and costs no longer chargeable to the Dedicated Schools Grant (£0.265m).
- the release of £0.050m of resources that were previously allocated to support additional Coroners Service pressures identified through the 2020/21 Revenue Monitoring Process.
- the inclusion of expenditure linked to a new duty placed upon the Council (subject to Parliamentary approval) in relation to domestic abuse safe accommodation provision (£0.578m)
- provisional funding linked to housing benefit administration costs (£0.040m)
- £0.166m reduction in spending relating to a revision to assumed passported Adult Social Care precept and Parish Precepts.
- A net reduction in levies of £0.393m.

In relation to income, the report highlighted:

- A reduction in Central Government Business Rates Top Up Grant and Grants in Lieu of Business Rates at a combined value of £1.087m.
- £13.820m of increased Unringfenced Grant Funding, primarily £7.737m of COVID Grant, £3.183m Local Council Tax Support Grant and an increase of £1.993m for the Social Care Support Grant.
- A reduction in Locally Generated Retained Business Rates income of £0.364m.
- A reduction in the Council Tax Tax base (due to the impact of the increase in claimants of Council Tax Reduction resulting in a total reduction in Council Tax income of £2.597m from that expected of which £0.175m relates to ASCP that could not be passported to the service.

Section 9 also advised of a Collection Fund deficit that must be charged to the General Fund of £25.809m. Of this sum £0.353m related to an adjusted 2020/21 balance using flexibilities allowed by Central Government. The balance was a technical adjustment required to the budget as a result of the Collection Fund deficit caused by the Government introducing Business Rate reliefs for retail, leisure, hospitality and nursery businesses after the 2020/21 budget had been set. The estimated sum (the final figures would only be confirmed at the end of the financial year) was £25.456m. Government was paying the Council grant compensation for this loss of Business Rates income through 2020/21 and this would be carried forward as a reserve. This would then offset the Collection Fund deficit but had a significant impact on the

overall use of reserves. Based on the latest estimates, the budget reduction requirement for 2021/22 had decreased from the previously reported figure of £29.940m to £27.623m, increasing to £53.079m after the technical adjustment.

Section 10 of the report detailed the Administration's budget reduction proposals. There were a total of 43 proposals expected to deliver savings of £8.920m in 2021/22 (of which one is a use of reserves), leaving recurrent budget reductions of £8.793m. In 2021/22, if approved in full, these recurrent proposals would further reduce the budget reduction requirement to £44.286m for 2021/22.

Sections 11 and 12 explained the approach to balancing the 2021/22 budget. Importantly, the budget strategy of using £29.000m of reserves to support the budget over a two year period (2021/22 and 2022/23) was outlined together with the use of the opportunities provided by the ability to use Capital Receipts to support spending on transformational projects up to a value of £2.000m in 2021/22.

A number of specific and corporate reserves would be used to address the balance as follows:

- £25.456m of Section 31 grant received in 2020/21 held to support the Collection Fund Deficit in 2021/22 as a result of Business Rates relief for retail, leisure, nursery and hospitality businesses (a technical adjustment);
- £0.127m as a result of budget reduction proposal REF-BR1-432;
- £1.000m of 2020/21 Earmarked Reserves created as a result of the Local Tax Income Guarantee grant; and
- £15.703m of other reserves brought forward from 2019/20.

Members were informed that there was also a reserve held at a value of £12.297m to support the 2022/23 budget if required.

Approval of the proposals set out in the report in full by Budget Council would deliver a balanced revenue budget for 2021/22.

Other key sections in the report summarised the approach to managing the financial challenges of COVID in 2021/22, the forecast reserves and balances position supporting the Council's financial resilience, set out the Administration's proposals in relation to Fees and Charges and detailed the Council's Pay Policy Statement (as required by sections 38 to 43 of the Localism Act 2011). The final section of the report set out the Council's MTFs covering the period 2021/22 to 2023/24, a shorter timeframe than was usual practice given the uncertainties created by COVID and the lack of clear direction Government funding intentions for future years.

Members were asked to note that, as the Government had only provided grant funding notifications for 2021/22, the MTFs estimates for 2022/23 to 2023/24 were based on a series of assumptions and therefore must be considered indicative at this stage. This had generated significant uncertainty and hindered effective planning by the Council both financially and operationally as future Government funding intentions were difficult to assess. This position, together with the transformational and organisational plans for change that the Council will implement to address the financial challenge, were outlined in Section 17 of the report. After having addressed the £27.623m (adjusted for the technical Business Rates issue), the budget reduction requirement for subsequent years was forecast to be £31.900 m for 2022/23 and £21.849m for 2023/24.

The MTFs highlighted the plan to deliver significant savings from 2022/23 onwards. Whilst it was anticipated that the Council would continue to rely on the use of reserves to support the revenue budget in 2022/23 at a value of £12.297m, additional budget reductions were expected to be achieved as part of the Council's transformation programme. Indeed, the 2021/22 budget reductions had implications for future financial years, with savings of £6.050m (2022/23) and £4.756m (2023/24) already assumed.

After having allowed for the use of reserves and already assumed budget reductions, the targets to be addressed were £13.553m for 2022/23 and £17.093m for 2023/24. The Council's approach to balancing its budget was the transformation programme which would deliver savings over four programme areas:

- Place Based Working/Communities
- Children's Services
- Health and Care
- Economy

In addition, there were a range of Cross Cutting initiatives that had been identified that would complement the transformational programmes and support the achievement of the significant financial challenge.

Indicative targets had been assigned although there has to be some flexibility given the uncertainty that underpinned financial planning for the future years.

Given the importance of delivering budget reductions and embedding the programme of transformational change, during 2021/22, there would be a regular review of the progress of existing change programmes against the delivery milestones and financial targets. It would also ensure that there was continuous emphasis on the delivery of change and the achievement of the budget reductions required in line with the three year strategy.

The Revenue Budget 2021/22 and Medium Term Financial Strategy 2021/22 to 2023/24 was presented to the Overview and Scrutiny Performance and Value for

Money (PVFM) Select Committee for consultation and scrutiny on 28 January 2021. The Select Committee scrutinised the budget report and the other reports on the agenda that form a core part of the Council's strategic financial planning framework. The Select Committee was content to commend the report to Cabinet without additional comment.

A further meeting of the Select Committee took place on 9 February 2021 to consider the budget amendments put forward by the main Opposition Party. No recommendations were supported and therefore none were presented for Cabinet to consider. However, acknowledging a previous request for work to be undertaken on reward and recognition packages for staff (including car allowances), this had been included within the transformation programme for 2021/22.

Cabinet considered the Revenue Budget 2021/22 and Medium Term Financial Strategy 2021/22 to 2023/24 at its meeting on 23 February 2021 and was content to commend the report to Council.

Members who spoke on the item:

g) AMENDMENT

Councillor C. Gloster MOVED and Councillor Sykes SECONDED the amendment to the budget as circulated and detailed in the Council Summons. Councillor C. Gloster expressed his thanks to staff who had assisted in the preparation of the report.

Councillors Murphy, Williamson, Harkness, Al-Hamdani, Hamblett and H. Gloster spoke in support of the Amendment.

Councillors Akhtar, Leach, Jabbar, Ahmad, Shuttleworth, Chauhan, Ball, Hulme and Mushtaq spoke against the Amendment.

Councillor Curley spoke on the Amendment.

Councillor Fielding exercised his right of reply.

Councillor C. Gloster exercised his right of reply.

A recorded vote, in line with the Regulations was then taken on the AMENDMENT as follows:

<b>Councillor</b>		<b>Councillor</b>	
Ahmad	AGAINST	Hulme	AGAINST
Akhtar	AGAINST	Hussain, A.	AGAINST
Al-Hamdani	FOR	Hussain, F.	AGAINST
Ali	AGAINST	Ibrahim	AGAINST
Alyas	AGAINST	Iqbal	AGAINST
Ball	AGAINST	Jabbar	AGAINST



Bashforth, M.	AGAINST	Jacques	AGAINST
Bashforth, S.	AGAINST	Leach	AGAINST
Briggs	AGAINST	Malik	AGAINST
Brownridge	AGAINST	McLaren	AGAINST
Byrne	ABSTAIN	Moores	AGAINST
Chadderton	AGAINST	Murphy	FOR
Chauhan	AGAINST	Mushtaq	AGAINST
Cosgrove	AGAINST	Phythian	AGAINST
Curley	ABSTAIN	Price	AGAINST
Davis	AGAINST	Roberts	AGAINST
Dean	AGAINST	Salamat	ABSENT
Fielding	AGAINST	Shah	AGAINST
Garry	AGAINST	Sheldon	ABSTAIN
Gloster, C.	FOR	Shuttleworth	AGAINST
Gloster, H.	FOR	Stretton	AGAINST
Goodwin	AGAINST	Surjan	AGAINST
Hamblett	FOR	Sykes	FOR
Haque	ABSENT	Taylor	AGAINST
Harkness	FOR	Toor	AGAINST
Harrison	AGAINST	Ur-Rehman	AGAINST
Hewitt	AGAINST	Williams	AGAINST
Hobin	AGAINST	Williamson	FOR
Hudson	ABSENT	Alexander	ABSENT

On a recorded VOTE being taken, 8 VOTES were cast in FAVOUR of the AMENDMENT with 43 VOTES cast AGAINST and 3 ABSTENTIONS. The AMENDMENT was therefore LOST.

The following Councillors then spoke on the ORIGINAL MOTION:

Councillors Shah, Roberts, Mushtaq, Ur-Rehman, Chauhan, Ahmad and S Bashforth spoke in support of the Original Motion.

Councillors C Gloster, Al-Hamdani, Sykes, H Gloster, Williamson and Hamblett spoke against the Original Motion.

Councillor Byrne spoke on the Original Motion.

Councillor Fielding exercised his right of reply.

A recorded VOTE, in line with regulations was then taken on the ORIGINAL MOTION as follows:

<b>Councillor</b>		<b>Councillor</b>	
Ahmad	FOR	Hulme	FOR
Akhtar	FOR	Hussain, A.	FOR
Al-Hamdani	AGAINST	Hussain, F.	FOR
Ali	FOR	Ibrahim	FOR
Alyas	FOR	Iqbal	FOR
Ball	FOR	Jabbar	FOR

Bashforth, M.	FOR	Jacques	FOR
Bashforth, S.	FOR	Leach	FOR
Briggs	FOR	Malik	FOR
Brownridge	FOR	McLaren	FOR
Byrne	ABSTAIN	Moores	FOR
Chadderton	FOR	Murphy	AGAINST
Chauhan	FOR	Mushtaq	FOR
Cosgrove	FOR	Phythian	FOR
Curley	ABSTAIN	Price	FOR
Davis	FOR	Roberts	FOR
Dean	FOR	Salamat	ABSENT
Fielding	FOR	Shah	FOR
Garry	FOR	Sheldon	ABSENT
Gloster, C.	AGAINST	Shuttleworth	FOR
Gloster, H.	AGAINST	Stretton	FOR
Goodwin	FOR	Surjan	FOR
Hamblett	AGAINST	Sykes	AGAINST
Haque	ABSENT	Taylor	FOR
Harkness	AGAINST	Toor	FOR
Harrison	FOR	Ur-Rehman	FOR
Hewitt	FOR	Williams	FOR
Hobin	AGAINST	Williamson	AGAINST
Hudson	ABSENT	Alexander	ABSENT

On a recorded VOTE being taken, 42 VOTES were cast in FAVOUR of the ORIGINAL MOTION with 9 cast against and 2 ABSTENTIONS. The ORIGINAL MOTION was therefore CARRIED.

**RESOLVED that:**

1. The policy landscape and economic context in which the Council was setting its revenue budget for 2021/22 and Medium Term Financial Strategy to 2023/24 be approved;
2. The impact of Oldham Council Policies and Strategies on the Council's budget setting process and the development of its Medium Term Financial Strategy be approved ;
3. The financial forecasts for 2021/22 to 2023/24 having regard to the Final Local Government Finance Settlement and the February 2021: COVID-19 Funding for Local Government in 2021 to 2022 Policy Paper and associated funding announcements be approved;
4. The key issues to be addressed in continuing to respond to the financial challenges facing the Council be approved ;
5. The proposal that the Council would review its financial position during 2021/22 to determine if it was able to provide additional Council Tax hardship relief be approved ;
6. The reaffirmation of the Council's commitment to the modified Housing Benefits scheme, a discretionary local scheme which allowed the Council to disregard the value of any War Disablement Pension or War Widows Pension over and above statutory disregard limits be approved;

7. The release of two voluntary redundancy applicants previously affected by the £95k Exit Payment Cap whose exit costs exceeded the £100k threshold for Council approval now the Government had revoked the provisions of the legislation as detailed at paragraph 10.6 be approved;
8. The recurrent 2021/22 Budget Reduction Proposals at a value of £8.793m be approved;
9. Flexible Use of Capital Receipts at a value of £2.000m be approved;
10. The proposed use of £42.286m of reserves to balance the 2021/22 budget including £0.127m for a one off budget reduction be approved;
11. The proposed use of £12.297m of reserves to support the 2022/23 budget be approved;
12. The approach to managing the budget during the COVID pandemic and the continuation of budget management measures introduced in 2020/21 as outlined in Paragraphs 12.6 to 12.11 be approved;
13. The proposed fees and charges schedule included at Appendix 7 be approved;
14. The draft pay policy statement included at Appendix 12 be approved;
15. A proposed 2021/22 Council Tax increase of 0.99% for Oldham Council general purposes be approved;
16. A proposed 2.00% increase for the Adult Social Care Precept for 2021/22 and a further 1.00% increase for 2022/23 be approved;
17. The specific 2021/22 charges set out at paragraph 15.3 and Table 29 of the report and in detail at Appendix 8 be approved;
18. The proposal to draw on the Collection Fund for major preceptors of £116.241m for Borough Wide services and £98.552m for Council services be approved;
19. The proposed net revenue expenditure budget for 2021/22 for the Council set at £254.179m be approved; and
20. Revised estimated budget reduction targets of £31.900m for 2022/23 and £21.849m for 2023/24 before any use of reserves and indicative budget proposals be approved.

c) Treasury Management Strategy Statement 2021/22

Councillor Jabbar MOVED and Councillor Fielding SECONDED a report of the Director of Finance which presented the strategy for 2021/22 Treasury Management activities including the Minimum Revenue Provision Policy Statement, the Annual Investment Strategy and Prudential Indicators together with linkages to the Capital Strategy.

The report outlined the Treasury Management Strategy for 2021/22 including the Minimum Revenue Provision Policy Statement, Annual Investment Strategy and Prudential Indicators together with linkages to the Capital Strategy.

The Council was required through regulations supporting the Local Government Act 2003 to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans were affordable, prudent and sustainable. It was also required to produce an annual Treasury Strategy for borrowing and to prepare an Annual Investment Strategy setting out the Council's policies for managing its investments and for giving priority to security and liquidity of those investments. The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management 2017 (the Code) also required the receipt by full Council of a Treasury Management Strategy Statement.

The Strategy for 2021/22 covered two main areas.

#### Capital Issues

- The Capital expenditure plans and the associated Prudential Indicators
- The Minimum Revenue Provision (MRP) Policy Statement

#### Treasury Management Issues:

- The Current Treasury Position Treasury Indicators which limited the treasury risk and activities of the Council
- Prospects for Interest Rates
- The Borrowing Strategy
- The Policy on Borrowing in Advance of Need
- Debt Rescheduling
- The Investment Strategy
- The Creditworthiness Policy
- The Policy regarding the use of external service providers.

The report outlined the implications and key factors in relation to each of the above Capital and Treasury Management issues and made recommendations with regard to the Treasury Management Strategy for 2021/22.

The report included an economic background commentary which had been updated to reflect the latest position, especially in relation to the UK leaving the EU on 31 December 2020.

The Audit Committee, the body charged with the detailed scrutiny of Treasury Management activities considered the proposed 2021/22 Treasury Management Strategy report at its meeting on 21 January 2021. It was also presented to the Overview and Scrutiny Performance and Value for Money Select Committee on 28 January 2021. Both the Audit Committee and the Select Committee were content to commend the report to Cabinet. The report was considered at the Cabinet meeting on 23 February 2021. Cabinet was content to commend the report to Council.

No members spoke on this item.

**RESOLVED that:**

1. Capital Expenditure Estimates as per paragraph 2.1.2 be approved;
2. MRP policy and method of calculation as per Appendix 1 be approved ;
3. Capital Financing Requirement (CFR) Projections as per paragraph 2.2.4 be approved;
4. Projected treasury position as at 31 March 2021 as per paragraph 2.3.3 be approved;
5. Treasury Limits as per section 2.4 be approved;
6. Borrowing Strategy for 2021/22 as per section 2.6 be approved;
7. Annual Investment Strategy as per section 2.10 including risk management and the creditworthiness policy at section 2.11 be approved; and
8. Level of investment in specified and non-specified investments detailed at Appendix 5 be approved.

Resolutions 1 and 2 related to the Council Tax Base for the Financial Year 2021/2022 as approved by the Cabinet on 23<sup>rd</sup> February 2021 and the Council Tax Requirement for the Council's own purposes for 2021/2022

No members who spoke on this item.

A recorded vote, in line with the Regulations, was then taken on the Resolutions as follows:

<b>Councillor</b>		<b>Councillor</b>	
Ahmad	FOR	Hulme	FOR
Akhtar	FOR	Hussain, A.	FOR
Al-Hamdani	FOR	Hussain, F.	FOR
Ali	FOR	Ibrahim	FOR
Alyas	FOR	Iqbal	FOR
Ball	FOR	Jabbar	FOR
Bashforth, M.	FOR	Jacques	FOR
Bashforth, S.	FOR	Leach	FOR
Briggs	FOR	Malik	FOR
Brownridge	FOR	McLaren	FOR
Byrne	FOR	Moores	FOR
Chadderton	FOR	Murphy	FOR
Chauhan	FOR	Mushtaq	FOR
Cosgrove	FOR	Phythian	FOR
Curley	ABSTAIN	Price	FOR
Davis	FOR	Roberts	FOR
Dean	FOR	Salamat	ABSENT
Fielding	FOR	Shah	FOR
Garry	FOR	Sheldon	ABSENT
Gloster, C.	FOR	Shuttleworth	FOR
Gloster, H.	FOR	Stretton	FOR
Goodwin	FOR	Surjan	FOR
Hamblett	FOR	Sykes	FOR
Haque	ABSENT	Taylor	FOR



Harkness	FOR	Toor	FOR
Harrison	FOR	Ur-Rehman	FOR
Hewitt	FOR	Williams	FOR
Hobin	ABSENT	Williamson	FOR
Hudson	ABSENT	Alexander	ABSENT



On a recorded VOTE being taken, 51 VOTES were cast in FAVOUR of the ORIGINAL MOTION with 0 cast against and 1 ABSTENTION.

Resolution 3 related to the amounts calculated by the Council for the year 2021/2022 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992

No members who spoke on the item.

A recorded vote, in line with the Regulations, was then taken on the RESOLUTION as follows:

<b>Councillor</b>		<b>Councillor</b>	
Ahmad	FOR	Hulme	FOR
Akhtar	FOR	Hussain, A.	FOR
Al-Hamdani	FOR	Hussain, F.	FOR
Ali	FOR	Ibrahim	FOR
Alyas	FOR	Iqbal	FOR
Ball	FOR	Jabbar	FOR
Bashforth, M.	FOR	Jacques	FOR
Bashforth, S.	FOR	Leach	FOR
Briggs	FOR	Malik	FOR
Brownridge	FOR	McLaren	FOR
Byrne	FOR	Moores	FOR
Chadderton	FOR	Murphy	FOR
Chauhan	FOR	Mushtaq	FOR
Cosgrove	FOR	Phythian	FOR
Curley	FOR	Price	FOR
Davis	FOR	Roberts	FOR
Dean	FOR	Salamat	ABSENT
Fielding	FOR	Shah	FOR
Garry	FOR	Sheldon	ABSENT
Gloster, C.	FOR	Shuttleworth	FOR
Gloster, H.	FOR	Stretton	FOR
Goodwin	FOR	Surjan	FOR
Hamblett	FOR	Sykes	FOR
Haque	ABSENT	Taylor	FOR
Harkness	FOR	Toor	FOR
Harrison	FOR	Ur-Rehman	FOR
Hewitt	FOR	Williams	FOR
Hobin	ABSENT	Williamson	FOR
Hudson	ABSENT	Alexander	ABSENT

On a recorded VOTE being taken, the RESOLUTION was CARRIED UNANIMOUSLY.

RESOLVED that the following amounts be calculated by the Council for the year 2021/22 in accordance with the Sections 31A to 36 of the Local Government Finance Act 1992 be approved as follows:

a)	£607,320,700	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account any Precepts for the Saddleworth and Shaw & Crompton Parish areas
b)	£508,468,848	Being the aggregate for the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
c)	£98,851,852	Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax Requirement for the year (Item R in the formula in Section 31B of the Act)
d)	£1,728.18	Being the amount at 3(c) above, all divided by Item T(1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council tax for the year (including Parish precepts).
e)	£299,684	Being the aggregate amount of all special items referred to in Section 34(1) of the Act, being the Saddleworth and Shaw & Crompton Parish precepts.
f)	£1,722.94	Being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by the amount by Item T(1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings on those parts of its area to which no special item related.
g)	£1,746.45	Saddleworth Parish Area Being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items related to dwellings in those parts of the Council's area mentioned at 3(e) above divided by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items related.

h)	£1,740.31	Being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items related to dwellings in those parts of the Council's area mentioned at 3(e) above divided by the amount at 1(c) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items related.
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Resolution 4 – Relating to the Mayoral Police and Crime Commissioner Precept and the Mayor General Precept (including Fire Services)

No members who spoke on this item.

On being put to the VOTE, the RESOLUTION was CARRIED UNANIMOUSLY.

**RESOLVED** that for the year 2021/22 the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire Services) for Greater Manchester had been issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below be noted.

NOTE: Councillors Garry, C. Gloster and H. Gloster declared a pecuniary interest in this item and did not take part in the discussion or vote thereon.

Resolution 5 – Relating to the Setting of the Council Tax for 2021/2022

No members who spoke on this item.

A recorded vote, in line with the Regulations, was then taken on the RESOLUTION as follows:

<b>Councillor</b>		<b>Councillor</b>	
Ahmad	FOR	Hulme	FOR
Akhtar	FOR	Hussain, A.	FOR
Al-Hamdani	FOR	Hussain, F.	FOR
Ali	FOR	Ibrahim	FOR
Alyas	FOR	Iqbal	FOR
Ball	FOR	Jabbar	FOR
Bashforth, M.	FOR	Jacques	FOR
Bashforth, S.	FOR	Leach	FOR
Briggs	FOR	Malik	FOR
Brownridge	FOR	McLaren	FOR
Byrne	FOR	Moores	FOR
Chadderton	FOR	Murphy	FOR
Chauhan	FOR	Mushtaq	FOR

Cosgrove	FOR	Phythian	FOR
Curley	FOR	Price	FOR
Davis	FOR	Roberts	FOR
Dean	FOR	Salamat	ABSENT
Fielding	FOR	Shah	FOR
Garry	FOR	Sheldon	ABSENT
Gloster, C.	FOR	Shuttleworth	FOR
Gloster, H.	FOR	Stretton	FOR
Goodwin	FOR	Surjan	FOR
Hamblett	FOR	Sykes	FOR
Haque	ABSENT	Taylor	FOR
Harkness	FOR	Toor	FOR
Harrison	FOR	Ur-Rehman	FOR
Hewitt	FOR	Williams	FOR
Hobin	ABSENT	Williamson	FOR
Hudson	ABSENT	Alexander	ABSENT

On a recorded VOTE being taken, the RESOLUTION was CARRIED UNANIMOUSLY.

RESOLVED that the Council, in accordance with Sections 30 to 36 of the Local Government Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2021/22 for each part of its area and for each of the categories of dwellings:

Authority/Parish	Council Tax Bands (£)							
	A	B	C	D	E	F	G	H
Oldham Council	1,148.62	1,340.06	1,531.50	1,722.94	2,105.81	2,488.69	2,871.56	3,445.88
Mayoral Police and Crime Commissioner Precept	145.53	169.78	194.04	218.30	266.81	315.32	363.83	436.60
Mayoral General Precept (including Fire Services)	60.63	70.73	80.84	90.95	111.16	131.37	151.58	181.90
Saddleworth Parish Precept	15.67	18.28	20.89	23.51	28.73	33.95	39.18	47.02
Shaw and Crompton Parish Precept	11.58	13.51	15.44	17.37	21.23	25.09	28.95	34.74

Authority/Parish	Council Tax Bands (£)							
	A	B	C	D	E	F	G	H
Saddleworth Parish Area	1,370.45	1,598.85	1,827.27	2,055.70	2,512.51	2,969.33	3,426.15	4,111.40
Shaw & Crompton Parish Area	1,366.36	1,594.08	1,821.82	2,049.56	2,505.01	2,960.47	3,415.92	4,099.12
All other parts of the Council's Area	1,354.78	1,580.57	1,806.38	2,032.19	2,483.78	2,935.38	3,386.97	4,064.38

The meeting started at 6.00 pm and ended at 10.07 pm