

Report to Performance Overview and Scrutiny Committee

Revenue Monitor and Capital Investment Programme 2021/22 Quarter 1 – June 2021

Portfolio Holder: Cllr Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Low Carbon

Officer Contact: Anne Ryans, Director of Finance

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26 August 2021

Purpose of Report

The report provides the Performance Overview and Scrutiny Committee with the opportunity to review the first budget monitoring report for the financial year 2021/22. It is therefore able to consider the key information relating to the forecast revenue budget position and the financial position of the Capital Programme as at 30 June 2021 (Quarter 1), together with the revised Capital Programme covering the period 2021/22 to 2025/26. The report (Attachment 1) has been issued with the agenda papers for the meeting of Cabinet on 23 August 2021.

Executive Summary

The Performance Overview and Scrutiny Committee is presented with the report: Revenue Monitor and Capital Investment Programme 2021/22 Quarter 1 – June 2021 (Attachment 1), enabling the Select Committee to review the financial position of the Council. The report was also included within the agenda papers for the 23 August Cabinet meeting.

The report presents the current forecast revenue outturn position for 2021/22 at month 3 together with the forecast outturn for 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 2021/22 to 2025/26 for approved schemes.

The most significant influence on the financial position for 2021/22 (as for 2020/21) remains the COVID-19 pandemic. It is important to note that there remains a high degree of estimation in relation to the impact of COVID-19; whilst the vaccination programme continues apace and restrictions have now been eased, there is no certainty that the recent improvement in the COVID position will translate into a reduction in the financial pressures facing the Council as COVID legacy implications have to be addressed. Therefore, there remains the potential for a change to the financial position. Any such changes will be presented to Members in future reports.

Recommendations

That the Performance Overview and Scrutiny Committee considers the financial position of the Council as presented in the attached report.

Report to Cabinet**Revenue Monitor and Capital Investment
Programme 2021/22
Quarter 1 – June 2021**

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

Officer Contact: Anne Ryans, Director of Finance

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23 August 2021

Reason for Decision

The report provides Cabinet with an update on the Council's 2021/22 forecast revenue budget position at Annex 1 and the financial position of the capital programme as at 30 June 2021 (Quarter 1) together with the revised capital programme 2021/22 to 2025/26, as outlined in section two of the report at Annex 2.

Executive Summary**Revenue Position**

The current forecast outturn position for 2021/22 is a projected deficit variance of £0.585m after allowing for approved and pending transfers to and from reserves.

The position includes additional costs and pressures that have been identified by the Authority in this financial year as a direct result of the COVID-19 pandemic. The additional pressures include forecasts of both income shortfalls and additional expenditure that have impacted on the Authority's budgets.

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

The overall corporate position is partly being offset by the application of £7.737m general COVID support received from MHCLG, of which £0.741m has been effectively ring-fenced

to Education, Skills and Early Years to support Home to School transport. The remaining £6.996m is available to mitigate against the £11.652m of costs identified as relating to the pandemic. In Appendix 1 to the report, the unringfenced Government grant is presented as a single sum so that it highlights the level of variation across all Council budgets, given that there is insufficient resource to offset the adverse variance. However, this summary report presents the position after applying the Government grant across Portfolio areas. As further General Fund grant is expected in respect of lost income for sales, fees and charges, both the overall financial position and the application of Government grant will therefore change during the course of the financial year. An update on the major issues driving the projections are detailed within Annex 1, Section 2.

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

Information on the Quarter 1 position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund is also outlined in the report. There are currently no significant issues of concern in relation to the HRA, however the Collection Fund, is forecasting an in-year deficit of £6.081m directly as a result of COVID-19. If not addressed before the end of the financial year this will have a budgetary impact in 2022/23. The DSG continues to be an area which is facing a financial challenge, albeit with a reduced projected deficit in 2021/22. Action is being taken with the aim of reducing the cumulative deficit and bringing the DSG towards a balanced position.

Capital Position

The report outlines the most up to date capital spending position for 2021/22 to 2025/26 for approved schemes. The revised capital programme budget for 2021/22 is £88.075m at the close of Quarter 1, a net increase of £2.073m from the original budget of £86.002m. Actual expenditure to 30 June 2021 was £4.791m (5.44% of the forecast outturn).

Without doubt the forecast position will continue to change throughout the year with additional re-profiling into future years.

Recommendations

That Cabinet approves the:

1. Forecast revenue outturn for 2021/22 at Quarter 1 being a £0.585m adverse variance having regard to the action being taken to manage expenditure
2. Forecast positions for both the Housing Revenue Account, Dedicated Schools Grant and Collection Fund
3. Use of reserves as detailed in Appendix 1 to Annex 1
4. Revised capital programme for 2021/2026 as at Quarter 1.

Revenue Monitor and Capital Investment Programme 2021/22 Quarter 1 – June 2021**1 Background**

- 1.1 The Authority's 2021/22 revenue budget and capital programme was approved by Council on 4 March 2021. Under established budget procedures, all services are required to monitor and review their approved revenue and capital budgets during the financial year. This will be reported to Cabinet on a quarterly basis with an additional report at month 8 which is used to inform the budget setting process for the following financial year.
- 1.2 As part of the budget monitoring process, the forecast year-end position for revenue and capital has been prepared by all services as follows:
- a) The revenue forecast is based on a comparison of profiled budgets to the actual position as at the end of Quarter 1 together with known commitments, issues and planned management actions. Due to the requirement to report to the Ministry of Housing, Communities and Local Government (MHCLG) about the financial pressures relating to COVID-19, forecasts for Quarter 1 have been based upon the Round 14 MHCLG return which was submitted on 25 June 2021.
 - b) The capital programme forecast has been based on notified revisions to the approved 2021/22 position including the final 2020/21 outturn, new grant, an initial rephasing of the approved capital programme including an assessment of the impact of COVID 19.
- 1.3 As the year progresses the outturn projections reflect the evolving position of management actions put in place to mitigate in-year pressures, new developments and changes in the profile of planned expenditure and of course any additional support that the Government may give with regard to additional funding to address the financial challenge created as a result of the pandemic.

2. Current position

- 2.1 The forecast revenue outturn for 2021/22 is an adverse variance of £0.585m. Further details of the current revenue budget position and a full description of the forecast can be found in Annex 1. The pressures relating to COVID-19 total £11.652m, this reduces to £4.656m with the application of the £6.996m unringfenced Government COVID related grant funding received to date. Offsetting the COVID related pressure is a net 'business as usual' underspend of £4.071m, within which it should be noted are areas of forecast overspending, primarily in Community Health and Adult Social Services (£0.908m) and Children's Services (£1.072m).
- 2.2 The total Portfolio variances amount to a pressure of £0.585m as detailed in Annex 1 at Tables 2 and 3. As advised above, this consists of a COVID related pressure of £4.656m and an operational underspend of £4.071m. This is comprised of People and Place reporting an adverse variance of £0.807m (£0.803m COVID related), Community Health and Adult Social Care reporting a pressure of £8.169m (£7.261m COVID related) and Children's Services reporting an adverse variance of £4.257m (£3.185m COVID related). There is also a further adverse variance of £0.226m (£0.021m COVID related) within Commissioning. There are favourable variances of

£1.139m within Communities and Reform, including a COVID related pressure of £0.242m and also £0.078m within Chief Executive, again including a £0.140m COVID pressure. Capital, Treasury and Corporate Accounting is reporting a favourable, operational variance of £4.661m. This highlights the continuing impact of COVID related pressures across all areas of the Council. It should, however, be noted that at this stage in the financial year, £1.308m of approved 2021/22 budget reductions are forecast not to be delivered. All are within Community Health and Adult Social Care and this variance is included within the overall Directorate forecast.

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

Portfolio Area	Gross Costs - COVID-19 Response £000	Apportionment Grant Funding (MHCLG) £000	COVID Costs Net of Funding £000	Business as Usual Pressure £000	Total Net Pressure £000
People and Place	803	(482)	321	4	325
Community Health and Adult Social Care	7,261	(4,360)	2,901	908	3,809
Children's Services	3,185	(1,912)	1,273	1,072	2,345
Communities and Reform	242	(145)	97	(1,381)	(1,284)
Commissioning	21	(13)	8	205	213
Chief Executive	140	(84)	56	(218)	(162)
Capital, Treasury and Corporate Accounting	-	-	-	(4,661)	(4,661)
Total	11,652	(6,996)	4,656	(4,071)	585

- 2.4 The projected net adverse variance is of concern and as a result, management action has been initiated across all service areas to review and challenge planned expenditure and to maximise income. Robust measures are required to further address and mitigate the impact of COVID-19 on all the Council services.
- 2.5 Whilst the current forecast is for a small adverse variance of £0.585m, there is potential mitigation with the submission to the Government of a return for compensation for lost Sales Fees and Charges for the first quarter of the financial year. As the guidance for the grant claim has not yet been issued by Government, no estimate of the grant to be received has been included in the current predictions.
- 2.6 There remains a high degree of estimation in relation to the impact of COVID-19; whilst the vaccination programme continues apace and restrictions were eased on 19 July 2021, this is set against increases in the rate of infection and hospital admissions. The forecasting of the likely impact of the pandemic on the Council's budget is based on both the actual expenditure and the income loss recorded to date but also relies on a series of assumptions which are both unpredictable and constantly changing. Future reports will advise of the progress of mitigating factors and management actions to control and reduce the forecast deficit.
- 2.7 As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an indication of the position if continued corrective action is not pursued, particularly on those activities that are not related to the COVID response. It is evident

that there is time for the financial position to improve and move to at least a balanced position and this should start to be demonstrated over the financial year. It is also anticipated that the additional funding mentioned in para 2.5 will help to reduce the deficit once the relevant guidance and instructions have been received from Government.

2.8 The original approved capital programme for 2021/22 totalled £86.002m. The revised capital programme as at Quarter 1 taking account of approved carry forwards, approved new funding, new schemes and variations and proposed variations/ re-phasing gives projected revised expenditure of £88.075m. Actual expenditure at Quarter 1 was £4.791m (5.44% of the forecast outturn). Further details of expenditure and schemes within the capital programme can be found in Annex 2.

2.9 The Annual Review of the capital programme will be taking place during the summer months. This is likely to lead to further reprofiling of planned expenditure and the realignment of capital resources between schemes.

3 Options/Alternatives

3.1 The options that Cabinet might consider in relation to the contents of this report are;

- a) to approve the forecast revenue and capital positions presented in the report including proposed changes
- b) to approve some of the forecasts and changes included in the report
- c) not to approve any of the forecasts and changes included in the report

4 Preferred Option

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

5 Consultation

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

6 Financial Implications

6.1 The full financial implications are detailed in the report.

7 Legal Services Comments

7.1 There are no legal issues at this time.

8 Co-operative Agenda

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

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

9 Human Resources Comments

9.1 There are no Human Resource implications.

10 Risk Assessments

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

11 IT Implications

11.1 There are no IT implications.

12 Property Implications

12.1 There are no Property implications.

13 Procurement Implications

13.1 There are no Procurement implications.

14 Environmental and Health & Safety Implications

14.1 There are no Environmental and Health and Safety implications.

15 Equality, Community Cohesion and Crime Implications

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

16 Implications for Children and Young People

16.1 There are no direct implications for Children and Young People

17 Equality Impact Assessment Completed

17.1 Not Applicable.

18 Key Decision

18.1 Yes

19 Key Decision Reference

19.1 FCL-07-21

20 Background Papers

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

File Ref: Revenue Background Papers are contained in Annex 1 including Appendices 1, 2, 3 and 4
Officer Name: Andy Cooper
Contact : 0161 770 4925 (andy.cooper@oldham.gov.uk)

File Ref: Capital Background Papers are contained in Annex 2 including Appendices A to G
Officer Name: Lee Walsh
Contact No: 0161 770 6608 (lee.walsh@oldham.gov.uk)

21 Appendices

Annex 1 Revenue Budget Monitoring Report 2021/22 Quarter 1 - June 2021

Appendix 1 Planned Transfers to and from Reserves at Quarter 1
Appendix 2 Financing of the 2021/22 Revenue Budget at Quarter 1
Appendix 3 Ringfenced COVID grants at 2021/22
Appendix 4 Budget Reduction Summary 2021/22

Annex 2 Capital Investment Programme Report 2021/22 Quarter 1 – June 2021

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

REVENUE BUDGET MONITORING REPORT 2021/22

Quarter 1 June 2021

1 Background

- 1.1 The Authority's 2021/22 revenue budget was approved by Council on 4 March 2021 at a sum of £254.179m incorporating:
- £8.793m of recurrent budget reductions approved within the 2021/22 Budget.
 - £16.830m use of corporate and specific reserves (including £0.127m classed as a one-off budget reduction). In addition, there was £25.456m of reserves to support the anticipated Collection Fund deficit arising from the introduction of Business Rates reliefs by the Government after the 2020/21 budget had been set thus resulting in a technical adjustment (the final Business Rate Relief related Collection Fund deficit was £25.182m).
- 1.2 Under established budget procedures all services are required to monitor and review their approved budgets during the financial year, as part of this process, a forecast of the year-end position has been prepared by all services. The forecast is based on a comparison of profiled budgets to the actual position as at the end of Quarter 1 together with known commitments, issues, and planned management actions. The forecasts include the latest estimates in relation to expenditure arising as a result of COVID-19.
- 1.3 The Council is again this financial year, reporting to the Ministry of Housing Communities and Local Government (MHCLG) on a monthly basis as to the impact of COVID-19 on the financial position of the Council. The forecasts therefore incorporate the round 14 position reported to the MHCLG on 25 June 2021.
- 1.4 The Government is continuing to provide compensation for COVID-19 related losses on Sales, Fees and Charges (SFC), at least for the first quarter of the financial year. The due date for the Government compensation return has yet to be confirmed, hence the claim for the first quarter has not yet been submitted. Therefore, no estimate of any grant compensation has been assumed in this report.
- 1.5 In considering the projections included in the MHCLG returns and in this report, it is important to note that, as with last year, there remains a high degree of estimation in relation to the impact of COVID-19; whilst the vaccination programme continues apace and restrictions were eased on 19 July 2021, this is set against increases in the rate of infection and hospital admissions. The completion of the returns and the forecasting of the likely impact of the pandemic on the Council's budget is based on both the actual expenditure and the income loss recorded to date but also relies on a series of assumptions which are both unpredictable and constantly changing.

2 Current Position

- 2.1 The current net revenue budget of £263.044m represents an increase of £8.865m against the originally approved budget of £254.179m. This is due to a range of

additional un-ringfenced Government grants which have been received since the Budget was approved.

- The major increase is the receipt of Section 31 grant funding of £8.119m to compensate the Council for the continuation of Business Rates reliefs in 2021/22
- A further £0.746m is as a result of receiving a number of additional un-ringfenced grants as shown in the table below.

Table 1 – Additional Funding

Additional Un-ringfenced Government Grants	£000
Section 31 grant for Collection Fund Deficit	8,119
New Burdens Grant – Business Grants Administration	229
Public Health Business Rates Top-up	164
Capital grants	111
School Improvement Monitoring and Brokerage Grant	108
Additional New Burdens in Welfare Reform	94
Verify Earnings and Pension Service	24
Housing Benefit & Council Tax Administration Grant	11
Grants in Lieu of Business Rates	5
Total Additional Un-ringfenced Government Grants	8,865

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

2.2 The current position for 2021/22 at Quarter 1 is a projected adverse variance of £0.585m. A forecast of the year-end position has been prepared by all services. The table below shows the year-end forecast position against budget for each Portfolio, including the additional costs anticipated as a result of the COVID-19 pandemic. Members will recall that the 2021/22 budget report advised that the Government has awarded £7.737m as un-ringfenced COVID support grant to assist the Council meet the extra costs of addressing the pandemic. The 2021/22 budget report advised that a specific financial challenge of £0.741m was anticipated in relation to Home to School Transport services. With the exception of this £0.741m, the remaining COVID-19 support grant (£6.996m) has been retained centrally and applied as a 'bottom-line' adjustment. In this way the full cost of the pandemic will be shown against each portfolio.

Table 2 - Summary Forecast Revenue Outturn

	Budget	Forecast	In Year Use of Transfer To/ (From) Reserves	Variance Quarter 1
	£000	£000	£000	£000
People and Place	59,267	61,193	(1,119)	807
Community Health and Adult Social Care	64,221	72,556	(166)	8,169
Children's Services	47,717	53,597	(1,623)	4,257
Communities and Reform	33,688	39,415	(6,866)	(1,139)
Commissioning	9,202	13,597	(4,169)	226
Chief Executive	7,689	7,706	(95)	(78)
Capital, Treasury and Corporate Accounting	26,144	21,483	-	(4,661)
COVID-19 Funding	6,996	-	-	(6,996)
Additional Section 31 grant for Collection Fund Deficit	8,119	-	8,119	-
NET EXPENDITURE	263,044	269,547	(5,919)	585
FINANCED BY:				
Collection Fund Deficit	25,456	25,182	-	(274)
Use of Reserves to offset Collection Fund Deficit	(25,456)	(25,182)	-	274
General Use of Reserves	(16,830)	(16,830)	-	-
Other Financing	(246,214)	(246,214)	-	-
TOTAL FINANCING	(263,044)	(263,044)	-	-
NET FORECAST VARIANCE	-	6,503	(5,919)	585

2.3 The forecast outturn to the end of the year, after a predicted and proposed (net) in-year transfer to reserves totalling £5.919m is an adverse variance of £0.585m. A detailed list of the approved and planned use of reserves at Quarter 1 can be found at Appendix 1. The key issues to note are:

- a) As advised during the 2021/22 budget setting process, there is a movement from reserves of the Section 31 Grant Funding (£25.182m) for Business Rate Relief compensation which was received in 2020/21 and is being used to support the 2021/22 budget.
- b) There is a movement to reserves of £8.119m which is the anticipated level of Section 31 funding for Business Rates Relief compensation that the Government has introduced for 2021/22 but was notified after the 2021/22 budget was set. This grant will be used to offset the Collection Fund deficit that will arise in 2021/22 and will need to be addressed in the 2022/23 budget process.

- c) The Government will continue to provide partial compensation for lost SFC income. At this stage, the Government has not issued guidance as to the lost SFC that can be reclaimed. No estimate has therefore been included. It is however possible that this grant may offset the projected year end adverse variance.

2.4 There are significant variances contained within the projected net overspend. As previously mentioned, the position includes a forecast of all the additional pressures being incurred by the Authority as part of its on-going response to the COVID-19 pandemic. Table 3 below analyses the variance between 'business as usual and COVID; the former being a net underspend of £4.071m. As advised above, the Council has received £7.737m of general COVID support from MHCLG for the first quarter of 2021/22, of which £0.741m has been effectively ring fenced to Education Skills and Early Years (to support home to school transport). This leaves £6.996m available to mitigate against the £11.652m of costs identified as relating to the pandemic, leaving a residual unsupported pressure of £4.656m.

Table 3 - Analysis of Variances

	COVID 19 Costs included in forecasts £000	Business as Usual £000	Variance Quarter 1 £000
People and Place	803	4	807
Community Health and Adult Social Care	7,261	908	8,169
Children's Services	3,185	1,072	4,257
Communities and Reform	242	(1,381)	(1,139)
Commissioning	21	205	226
Chief Executive	140	(218)	(78)
Capital, Treasury and Corporate Accounting	-	(4,661)	(4,661)
COVID-19 Funding	(6,996)	-	(6,996)
Total	4,656	(4,071)	585

- 2.5 The People and Place Portfolio has a reported pressure of £0.807m with a proposed net use of reserves totalling £1.119m. Anticipated expenditure relating to COVID-19 accounts for £0.803m of the overspend with a minor 'business as usual' deficit of £0.004m contributing to the total overspend.
- 2.6 Community Health and Adult Social Care (CHASC) is reporting an overspend of £8.169m, including a £0.166m use of reserves. The adverse variance attributes £7.261m of COVID-19 related expenditure, in the main due to the demand for care packages following hospital discharges, the residual adverse variance (£0.908m) relates to 'business as usual'.
- 2.7 Children's Services is forecasting an adverse variance of £4.257m of which £3.185m is related to COVID-19 and with a proposed £1.623m use of reserves. There are pressures within two main service areas: Education, Skills and Early Years at £0.248m and more significantly, Children's Social Care at £4.009m.

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- 2.8 Communities and Reform is reporting a favourable variance of £1.139m in the main due to vacancies and the offsetting of costs by COVID-19 grants, resulting in a business as usual favourable variance of £1.381m offset by a COVID pressure of £0.242m. There is a predicted £6.866m use of reserves.
- 2.9 The Commissioning Portfolio is reporting an overall adverse variance of £0.226m: a COVID pressure of £0.021m with an operational underspend of £0.205m. The total variance is comprised of a £0.510m pressure in Procurement and a favourable variance of £0.284m in Finance incorporating a £4.169m use of reserves.
- 2.10 The Chief Executive Portfolio is reporting a favourable variance of £0.078m, along with Capital, Treasury and Corporate Accounting which is showing an underspend of £4.661m, all of which relates to business as usual.
- 2.11 A more detailed analysis of financial performance and the major variances can be found by Portfolio in the following sections.
- 2.12 It is important to note that as a result of COVID-19 the following 2021/22 approved budget reductions, totalling £1.308m and all within CHASC are currently forecast not to be achieved and are therefore rated red 'off track and will not deliver':
- Maximising independence through alternative models of care- £1.000m of the total £1.500m, with the remaining £0.500m rated amber (see below)
 - Achieving Better Outcomes: Supported Living and Learning Disabilities- £0.288m
 - Out of hours call centre support for Community Health Services £0.020m

In addition, there are further three Budget Reductions, across a range of Portfolios, with a combined value of £1.955m rated amber; 'off track but with measures in place to deliver' which will need to be closely monitored to ensure they do not become unachievable. Amber budget reductions therefore total £2.455m. A schedule and assessment of all the 2021/22 budget reductions is attached as Appendix 4.

- 2.13 In view of the projected adverse variance, management action has been initiated across all service areas to review and challenge planned expenditure and to maximise income. In addition, the recruitment of staff to vacant posts and significant items of expenditure continues to be monitored via a corporate process. Such service and corporate actions will continue with the aim of bringing expenditure nearer to the resources available. In addition, further measures are being taken to ensure non-essential expenditure is avoided unless there is a business case to support it.
- 2.14 The effectiveness of management action will be closely monitored by Directorate Management Teams with regular progress updates being provided to Portfolio holders. The local and national position in relation to COVID-19 appears to be improving, with a major relaxation of restrictions from 19 July 2021, however it is still not clear how quickly the country will return to pre-pandemic activity and how the local economy will respond. It is likely that there will continue to be volatility in the financial position. At this stage, no additional Government unringfenced financial support is expected beyond that already received and notified.

3 Portfolio Summaries

3.1 People and Place

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

Table 4 – People and Place - Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Environmental Services	52,461	52,247	(192)	(406)
Enterprise and Skills	656	880	-	224
Economic Development	623	2,695	(927)	1,145
ICT	4,261	4,105	-	(156)
Customer Services	1,266	1,266	-	-
Total Forecast Net Expenditure	59,267	61,193	(1,119)	807

Summary

3.1.2 The forecast outturn at Quarter 1 for the People and Place portfolio, including all pressures associated with COVID-19 and use of reserves of £1.119m, is an adverse variance of £0.807m.

Environmental Services

3.1.3 The Environmental Services area is forecasting a £0.406m underspend. Variances triggering the overall underspend include:

- Public Protection is showing a pressure totalling £0.107m principally due to the under-recovery of income within Building Control, Licencing and Traded Service areas of the division
- Underspends totalling £0.440m consisting of £0.331m in Highways Operations (Unity) and £0.119m in Street Lighting (S.38 / S.278 inspection fees).
- Environmental Services Management is forecast to underspend by £0.073m due to vacant posts.

Enterprise and Skills

3.1.4 The Enterprise and Skills Directorate is forecasting a pressure of £0.224m. The Town Centre area, which includes the Market Service is currently forecasting an overall loss for the financial year of £0.260m which includes an anticipated loss of certain rental income due to COVID-19. Offsetting this pressure is an anticipated underspend due to a reduction in staffing costs of £0.036m across the Service area.

Economic Development

3.1.5 The Economic Development Directorate is forecasting a pressure of £1.145m after a £0.927m use of reserves. The main reasons for the adverse variance are detailed by service area below:

- There is an estimated pressure against the Corporate Landlord/ Investment Estate totalling £0.720m, of which £0.375m relates to COVID-19 with the remainder relating to long standing issues in this service area
- The Catering Service is showing an adverse variance of £0.300m due to unachievable income against school meals.
- The Car Parking budget is also showing a pressure of £0.168m which relates to the loss of income as a result of COVID-19
- The Cleaning Service is projecting a favourable variance £0.043m relating to underspends on materials

ICT and Customer Services

- 3.1.6 ICT is forecasting an underspend of £0.156m due to vacant posts within the Client team. Customer Services is showing no variance.

Achievement of Budget Reductions

- 3.1.7 Approved budget reductions of £3.225m are all expected to be achieved in year. However, as per Appendix 4 two, linked to Creating a Better Place, with a value of £1.841m. are currently rated amber and although expected to be achieved will need to be monitored closely to ensure delivery.

3.2 Community Health and Adult Social Care

- 3.2.1 The Portfolio provides social care support to adults and carers across Oldham with a key aim of integrating and aligning the work with health partners to achieve greater efficiency in service delivery and better outcomes for the resident or patient. This covers both the commissioning and the provision of services. The following table shows the forecast position for the Portfolio at Quarter 1.

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

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Adult Social Care - COVID 19	-	7,261	-	7,261
Community Health & Social Care	27,387	27,435	-	48
Commissioning	21,419	21,333	-	(86)
Learning Disability	13,841	14,649	-	808
Mental Health	8,543	8,733	-	190
Community Business Services	1,701	1,815	(166)	(52)
Safeguarding	1,063	1,083	-	20
Director Adult Social Care	(9,733)	(9,753)	-	(20)
Learning Disability and Mental Health	-	-	-	-
Total Forecast Net Expenditure	64,221	72,556	(166)	8,169

Summary

3.2.2 The pandemic is continuing to have a significant impact on the Portfolio, with a projected budget pressure of £8.169m, including a £0.166m use of reserves. The predominant factor contributing to the overspend is the COVID-19 related expenditure of £7.261m. Adult Social Care is one of the Council services most affected by the virus, the constantly evolving nature, and the subsequent impact of the pandemic and also the nature and quantum of financial support means that it is highly likely that the financial forecasts will be subject to further revision.

3.2.3 Financial support from the NHS, reclaimed through the Oldham Clinical Commissioning Group (CCG) continues to be available, at least for the first half of 2021/22. From 1 July 2021 clients qualify for 4 weeks of re-claimable care costs, having previously been able to claim 6 weeks. The support is scheduled to cease on 30 September 2021. The reducing timeframe places an additional burden on Adult Social Care, hence the current adverse forecast of £7.261m of COVID related expenditure

3.2.4 'Business as usual' variances represent £0.908m of the overspend. The main reasons for the adverse variance are detailed below:

Learning Disability

3.2.5 Learning Disability is forecasting an overspend of £0.808m. The variance is largely due to overspends on external supported living and direct payments.

Mental Health

3.2.6 Mental Health is forecasting an overspend of £0.190m. With the general population living longer and surviving other illnesses, the number of people developing dementia is increasing and therefore attracting the dementia premium when placed in care homes

3.2.7 A number of less significant variances across the remaining Services in the Portfolio offset the major overspends by £0.090m

Achievement of Budget Reductions

3.2.8 The 2021/22 Budget Reductions total £2.729m, three of which are currently forecast not to be achieved in part or in full, this will have an adverse impact of £1.308m, as follows:

- Maximising independence through alternative models of care (£1.500m) – only £0.500m is potentially expected to be delivered and this portion is rated amber at present.
- Achieving Better Outcomes: Supported Living and Learning Disabilities (£0.288m)
- Out of hours call centre support for Community Health Services (£0.020m)

3.3 Children's Services

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

Table 6 – Children’s Services

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Children's Social Care	37,505	41,960	(446)	4,009
Education, Skills & Early Years	5,498	6,840	(1,094)	248
Preventative Services	3,617	3,700	(83)	0
Schools	1,097	1,097	-	0
Total Forecast Net Expenditure	47,717	53,597	(1,623)	4,257

Summary

3.3.2 The Portfolio has a projected overspend of £4.257m. The overspend includes costs of £3.185m due to the lasting impact of COVID-19 and incorporates the use of reserves totalling £1.623m. The principal underlying reasons are detailed below.

Children’s Social Care

3.3.3 This area is projecting a £4.009m overspend at Quarter 1 and incorporates the use of reserves totalling £0.446m.

3.3.4 Throughout 2020/21 it was necessary to employ additional temporary social work staff to cover the increase in demand and consequent impact on caseloads as a result of the pandemic. The forecast assumes a requirement to retain the current cohort of additional social workers for the full financial year in 2021/22 at an estimated cost of £1.837m. The number of caseloads will be closely monitored throughout the rest of the year with the objective to reduce the number of extra social workers. This reduction, if applicable will be factored into future forecasts. Additional staffing costs to cover sickness and self-isolation is estimated to cost £0.016m. A further £1.067m is related to the provision of placements, particularly children placed outside of the borough. Again, this is due to an increase in demand and cost due to the pandemic. This brings the anticipated overspend due to COVID-19 to £2.920m

3.3.5 There is a further operational forecast deficit of £1.089m, again in the main relating to social care placements including Out of Borough which is being offset by establishment staffing costs; a number of vacant posts offset in part by the use of further agency staff.

Education, Skills and Early Years

3.3.6 The area is reporting a £0.248m overspend at Quarter 1 and incorporates the use of reserves totalling £1.094m.

3.3.7 Adverse variances are being forecast against both Inclusion and Post 16 Services of £0.073m and Community/ Adult Learning Services of £0.192m due to the underachievement of income caused by the on-going impact of the pandemic.

3.3.8 The overspends are offset by a net £0.015m in relation to ‘business as usual’ underspends across the Directorate.

Achievement of Budget Reductions

- 3.3.9 Budget reductions for the Portfolio in 2021/22 total £0.911m and are currently expected to be achieved in full, although one in relation to SEND provision (£0.114m) is currently rated amber and will need to be monitored closely as the year progresses.

3.4 Communities and Reform

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

Table 7 – Communities and Reform

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Public Health & Heritage, Libraries & Arts	23,126	28,380	(5,471)	(217)
Youth, Leisure & Communities	5,953	5,754	-	(199)
HR & Organisational Development	2,599	2,331	(79)	(347)
Communications and Research	1,017	825	-	(192)
Strategy and Performance	953	769	-	(184)
Policy	40	1,191	(1,151)	-
Transformation and Reform	(0)	165	(165)	0
Total Forecast Net Expenditure	33,688	39,415	(6,866)	(1,139)

- 3.4.2 The forecast outturn at Quarter 1 is an underspend of £1.139m, a favourable operational variance of £1.381m is offset by a COVID related pressure of £0.242m. The variance is after the approved use of £6.866m reserves. The paragraphs below outline the main variances within the Portfolio.
- 3.4.3 Public Health and Heritage, Libraries and Arts services are showing an underspend of £0.217m as at Quarter 1. There is an income pressure of £0.126m for the Music Service due to COVID-19 and reduced service provision. This is offset with underspends on non-pay costs and charging of eligible staff time to COVID-19 grants. The significant use of reserves relates to funding from the Contain Outbreak Management Fund to address COVID activities. This grant was received in 2020/21 and must be used before 31 March 2022.
- 3.4.4 Youth, Leisure and Communities is showing an underspend of £0.199m. There remains an income pressure within Outdoor Education (£0.060m) due to COVID-19 and reduced service provision which is offset against a reduction in non-pay costs and the transfer of eligible staff time to COVID-19 grants.
- 3.4.5 HR and Organisational Development is showing a favourable variance of £0.347m relating to income pressures against HR Advisory Services which are being offset by vacant posts across the division.
- 3.4.6 Communications and Research is showing an underspend of £0.192m as at Quarter 1, this is due to vacant posts and again the transfer of eligible staff time to COVID-19 grants.

3.4.7 Strategy and Performance is showing an underspend of £0.184m as at Quarter 1. There is a COVID-19 income pressure of £0.056m which relates to the inability to provide data packs to schools in 2021/22. This is offset by vacant posts and the charging of eligible staff time to COVID-19 grants.

Achievement of Budget Reductions

3.4.8 The approved budget reduction of £0.626m are expected to be fully achieved in the financial year.

3.5 Commissioning

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

Table 8 - Commissioning - Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Finance	8,894	12,778	(4,169)	(284)
Commissioning and Procurement	309	819	-	510
Total Forecast Net Expenditure	9,202	13,597	(4,169)	226

Summary

3.5.2 The forecast outturn position at Quarter 1 after a £4.169m use of reserves is an overspend of £0.226m. A sum of £0.021m of the adverse variance is attributable to the pandemic, leaving a 'business as usual' overspend of £0.205m.

Finance

3.5.3 The Service is showing an underspend of £0.284m, incorporating £0.229m of New Burdens funding to support the administration of business grants. In addition, there is a pressure in relation to summons cost recoveries of £0.250m, although courts have re-opened it is still anticipated there will be fewer summons costs recoveries in 2021/22 due to the impact of COVID-19. This is offset by vacancies in the Finance division, a reduction in non-pay costs and additional project income totalling £0.305m.

3.5.4 The use of reserves of £4.169m relates primarily to the payment of grants to businesses from the Additional Restrictions Grant regime with funding having been received from Government in 2020/21 but spent in this year (see paragraph 4.10).

Commissioning and Procurement

3.5.5 Commissioning and Procurement is reporting an overspend of £0.510m. The service is continuing to experience difficulties in recruiting to permanent posts, resulting in a more expensive temporary staffing solution. The service is also reporting a pressure of £0.084m against the Early Payment scheme.

Achievement of Budget Reductions

- 3.5.6 The approved budget reductions of £0.490m are expected to be fully achieved in the financial year.

3.6 Chief Executive

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

Table 9 – Chief Executive

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Legal Services	3,247	3,394	(95)	52
Chief Executive	2,186	2,088	-	(98)
Chief Executive Management	1,668	1,645	-	(23)
Executive Office	588	579	-	(9)
Total Forecast Net Expenditure	7,689	7,706	(95)	(78)

Summary

- 3.6.2 The Portfolio is showing an underspend of £0.078m. Details of the under spend are shown below.
- 3.6.3 The Legal Service is reporting an overspend of £0.052m at Quarter 1. The service pressure is due to the impact of Covid-19 for Registrars and reduced trading with schools in the Legal Team. The pressures are offset in part by vacant posts and reduced expenditure on non-pay budgets in Civic and Political Support and Constitutional Services.
- 3.6.4 Chief Executive is reporting an underspend of £0.098m which relates to reduced costs on the non-AGMA budgets and increased income.
- 3.6.5 Chief Executive Management and the Executive Office are reporting a combined underspend of £0.032m underspend at Quarter 1.

Achievement of Budget Reductions

- 3.6.6 The approved budget reductions of £0.134m are expected to be fully achieved in the financial year.

3.7 Capital, Treasury and Corporate Accounting

- 3.7.1 The following table shows the forecast position, without the use of any reserves but with a contribution to reserves relating to Government grant compensation for Business Rates reliefs awarded in this year as advised at 2.1.3 (b)

Table 10 – Capital, Treasury and Corporate Accounting – Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Capital, Treasury and Corporate Accounting	41,259	28,479	8,119	(4,661)
Total Forecast Net Expenditure	41,259	28,479	8,119	(4,661)

Summary

Capital, Treasury and Corporate Accounting

- 3.7.2 The Portfolio includes the budgets associated with the Council's Treasury Management activities including interest payable on borrowing and interest receivable on investments.
- 3.7.3 A favourable variance of £4.661m is due to projected additional income being received with regard to external investments, a larger than budgeted benefit generated as a result of the pre-payment of pensions and other non-pay variances including reduced capital financing charges. This is offset by an adverse variance with regard to the Annual Leave Purchase Scheme
- 3.7.4 The Housing Benefit service is not anticipating a variance at this stage in the financial year, however the continued transfer of benefits claimants onto universal credit, and the longer term impacts of COVID-19 may have an impact but this will not be known until the interim benefits claim is produced in August 2021. Any change to this forecast will be reported to Members at Quarter 2.

4 Other Grants/Contributions Received by the Council

- 4.1 Members will recall that in addition to the COVID un-ringfenced grant highlighted in the report the Government has also provided and/ or notified a range of ringfenced grants. These total £8.782m and support the response to COVID-19 Whilst the ringfenced grants are included in the budget, the increased income is offset by matched expenditure within the relevant service area, so does not increase the net revenue budget.
- 4.2 In addition £0.183m has been received from the GMCA for the GM Self Isolation pathway initiative.
- 4.3 Furthermore, the Council has, and continues to receive contributions from the NHS via Oldham CCG (as prescribed in NHS Guidance) to support Adult Social Care provision including hospital discharges to a social care setting, the amount claimed for the first quarter is £520k when support was funded for 6 weeks. From 1 July the period of funded support reduces to 4 weeks and is scheduled to be withdrawn on 30 September.
- 4.4 A full list of the COVID grants and contributions with a grand total of £9.485m, is attached as Appendix 3.

Grant Support for Businesses – Restart Grants

- 4.5 Restart Grants became available from 1 April 2021 to support businesses who were forced to close during national lockdown to help them reopen safely as COVID-19 restrictions are lifted. In this regard, on 6 April the Government paid the Council £10.542m to administer mandatory Restart Grants and the Oldham scheme went live on that day. As there is no discretion in the level of grant payment the Council is acting as an agent of the Government and therefore the expenditure is reflected in the Councils Balance Sheet rather than in the General Fund. There is therefore no budget adjustment in respect of Restart Grants.
- 4.6 The Council received applications for the grants from 1 April 2021 to 30 June 2021 and therefore the grant regime is now closed. However, grants payable to businesses were calculated as follows:

Non-essential Retail Businesses

- Businesses with a rateable value of £15,000 or under received grants of £2,667
- Businesses with a rateable value of over £15,000 and less than £51,000 received grants of £4,000
- Businesses with a rateable value of £51,000 or over received grants of £6,000

Hospitality, leisure, accommodation, personal care, gym and sports businesses

- Businesses with a rateable value of £15,000 or under received grants of £8,000
- Businesses with a rateable value of over £15,000 and less than £51,000 received grants of £12,000
- Businesses with a rateable value of £51,000 or over received grants of £18,000

- 4.7 Whilst the final date for applications was 30 June 2021, the final payment date was 31 July 2021. Those passed for payment total 1,417 at a value of £9.697m as set out below. A sum of £0.845m is likely to be returned to Government once a final reconciliation is undertaken.

Table 11- Restart Grant

Restart Grant	Number Paid	Value £'000
Non Essential Retail	518	1,547
Hospitality, Leisure, Accommodation etc	899	8,150
Total	1,417	9,697

Grant Support for Businesses - Local Restrictions Support Grant (LRSG) and Additional Restrictions Grant (ARG)

- 4.8 Members will recall that during 2020/21 the Council received £28.417m of Local Restrictions Support Grant. Most LRSG payments were made during 2020/21 but at the end of March 2021, there was still the opportunity to apply for one tranche of LRSG. The Council acted as an agent of the Government for most of these grants and hence they were transacted through the Councils' Balance Sheet rather than the General Fund. A total of £19.556m had been spent at the end of 2020/21. A further £0.537m of payments have been made this year bringing the final payments to a total £20.093m. A final reconciliation will be made but the Council is likely to be returning £8.324m to Central Government.

4.9 Members will also recall that the Council received £7.123m in Additional Restrictions Support Grant during 2020/21. This is a discretionary grant scheme and the Council can determine the awarding of the grant. This therefore impacts on the budget of the Council. At the end of 2020/21 £3.076m had been paid with £4.047m held in a reserve at the year end. The full £4.047m has been spent in the period to 30 June 2021 and £4.047m of reserves has been called into the revenue account (Finance Service). A further tranche of ARG of £1.214m has been notified and will be received during July 2021. This will be reflected in future monitoring reports.

5 Schools

5.1 The Council's expenditure on schools is funded primarily by grant provided by the Department for Education, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools' Budget, as defined in the School Finance (England) Regulations 2020. The Schools' Budget includes elements for a range of educational services provided on an Authority wide basis and for the Individual Schools Budget which is divided into a budget share for each maintained school.

5.2 Members will recall the DSG is made up of the following 4 blocks of funding as follows;

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

5.3 Members will also recall that there is considerable pressure on the DSG, particularly in the High Needs block. The pressure in the High Needs area is historically due to expenditure exceeding the High Needs budget available each year with key contributors being the:

- Increasing high needs population, such as special school places, resourced provision and post 16 Further Education provision.
- Increasing number of Education Health Care Plans requiring high needs top up funding within mainstream schools
- Cost of providing local Pupil Referral Unit capacity to ensure that the Local Authority fulfils its statutory role.
- High cost of external placements

The Schools Forum has historically agreed transfers between Schools Block and High Needs Blocks and a further 0.5% has been agreed for the current financial year (£1.049m).

5.4 With the continued support from the Schools Block, the High Needs Block has an in year surplus of £2.880m. This contributes to a cumulative deficit forecast of £12.817m as at 31 March 2022. The deficit is offset by cumulative virements and savings from the Schools and Early Years Blocks to leave a net deficit of £2.243m (as illustrated in the table below). This in turn is a significant element of the overall deficit on the DSG.

Table 12 – DSG High Needs Block

DSG Key Issues	£000
Original Budget Allocation including adjustment for imports/exports	44,630
Contribution from Schools Block (Schools Forum approval)	1,049
2021/22 Total Budget Available	45,679
Estimated Expenditure	(42,799)
Projected in Year Surplus	2,880
Deficit Brought Forward 01/04/2021	(15,697)
Cumulative Deficit	(12,817)
Offset by;	
- Virement from Schools Block- 2016/17 to 2020/21	7,247
- Savings in Schools and Early Years Block- 2015/16 to 2020/21	3,327
Projected Deficit 31/03/2022	(2,243)

Overall DSG Position and Recovery Plan

- 5.5 There is a requirement that the DSG is brought back into balance and a DSG Financial Recovery Plan was submitted to the Department for Education in 2019. As previously reported to Members, the financial elements of the Recovery Plan have been continuously updated to take account of estimated additional cost pressures, formal notification of additional funding and the agreed funding methodology for 2021/22 (including the 0.5% transfer of DSG funding between the Schools and the High Needs Funding Blocks for 2021/22) that was approved by Cabinet on 14 December 2020.
- 5.6 A further report was presented to Schools Forum on 19 May 2021 providing an update in relation to the DSG. The DSG Recovery Plan has been updated accordingly to take account of the most recent funding announcements, the latest expenditure predictions and their impact on the projections from the current financial year through to 2023/24. The table below shows the latest Recovery Plan and illustrates that with the increased funding anticipated and the planned actions to address new operating arrangements to generate efficiencies, the DSG should be brought into a position where there is a surplus in 2023/24.

Table 13 - Overall DSG Position

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Opening Balance - Surplus/(Deficit)	(4,916)	(3,560)	(2,283)	(614)
Movements per original plan	1,048	5,081		
Original Forecast Variance	(3,868)	1,521	(2,283)	(614)
Estimated Adjustments including Additional (Pressures)/ Savings	308	(4,002)	185	123
Estimated Savings Out of Borough	0		286	928
Additional High Needs Funding	0		1,000	1,000
Estimated adjustment re imports/exports	0	198	198	198
0.5% Movement Agreed by Schools Forum				
Revised Net Forecast (Deficit)/Surplus	(3,560)	(2,283)	(614)	1,635

5.7 Regulations introduced in 2020 mean that there will no longer be an automatic 1% trigger for the production of a DSG deficit recovery plan, instead the Department for Education (DfE) via the Education Skills Funding Agency (ESFA) will focus on those Authorities requiring help through a more measured and targeted approach. A formal Management Plan must be submitted to the DfE. As the current Recovery Plan has been agreed with the Schools Forum, it remains appropriate to present information in this format and the Authority will continue to use the Recovery Plan arrangements as an effective means of monitoring the DSG position and returning the deficit to a surplus. It will continue to liaise with the Schools Forum accordingly.

5.8 Authority representatives held an informal liaison meeting on 20 May 2020 to discuss the formal DSG Management Plan with ESFA Local Authority funding colleagues and a Special Educational Needs and Disabilities (SEND) adviser. The meeting was constructive with the ESFA offering to provide support to the Council as required. It was agreed the DSG Management Plan would be completed ahead of a further liaison meeting to be held on 21 September 2021.

6 Housing Revenue Account (HRA)

6.1 The current HRA position is presented in Table 14 and compares the initially approved HRA position to the current estimated outturn. The actual closing balance for 2020/21 at £21.370m was £1.756m better than the final estimate of £19.614m. The original HRA forecast is for a planned in-year decrease in balances of £2.151m, mainly to support housing related expenditure in the Capital Programme.

6.2 The current forecast is for an increased in year deficit of £2.581m, a net adverse movement of £0.430m. The variance is attributable to the reprofiling of several capital projects and some additional anticipated expenditure on dwellings for the disabled and other essential adaptations. The projected year end HRA balance is £18.789m.

Table 14 - Housing Revenue Account Forecast Position

HRA Income & Expenditure Account	Original Budget £000	Latest Forecast £000	Variance to Budget £000
HRA Balances Brought forward	(21,370)	(21,370)	0
Deficit on HRA Services	2,151	2,581	430
HRA Balances Carried Forward	(19,219)	(18,789)	430

7 Collection Fund

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

Table 15 - Collection Fund Forecast Position

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Balance Brought Forward	3,446	23,766	27,212
Contribution from Reserves to offset the deficit from 2020/21	0	(25,182)	(25,182)
Prior Year Balance Brought Forward	3,446	(1,416)	2,030
Deficit for the Year	840	11,330	12,170
Additional Section 31 Grant **	0	(8,119)	(8,119)
Net (Surplus)/Deficit for the Year	4,286	3,211	4,051
Net (Surplus)/Deficit Carried Forward	4,286	1,795	6,081

**Compensatory Section 31 Grant as referred to at Section 2.1.3 (b)

Table 16 - Collection Fund – 2021/22 Share of Balances; Forecast Position

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Share - Oldham Council	3,635	1,777	5,412
Share – Greater Manchester Combined Authority Mayoral Police and Crime Commissioner	459	-	459
Share – Greater Manchester Combined Authority Mayoral General Precept (including Fire Services)	192	18	210
Total (Surplus)/Deficit	4,286	1,795	6,081

7.2 Council Tax and Business Rates remain a significant source of funding for Council services. However, these areas can be volatile, particularly for the 2021/22 financial year with the impact of COVID-19, as such the financial position of the Collection Fund is under constant review. It is apparent that it is not only reduced collection rates that are affecting the Council's Collection Fund balances but also the increased amount of reliefs given thus reducing the overall tax base. This has been most evident in relation

to Council Tax with an increased number of individuals becoming eligible for the Council Tax Reduction Scheme.

- 7.3 The Greater Manchester 100% Business Rates Retention Pilot has continued into 2021/22. Given the impact of the pandemic, at this stage in the financial year it is unclear if there will be any financial benefits arising from the pilot scheme. The position will be kept under review.
- 7.4 After discounting the Business Rates loss due to the extension of 100% reliefs to retail, hospitality, leisure and nursery businesses which will be fully compensated by Government grant for April to June 2021 and benefitting from 66% relief for the remainder of the financial year, the forecast Collection Fund in-year deficit of £4.051m net of Section 31 grants estimated for the year, which when added to the prior year carried forward balance, produces an overall Collection Fund deficit of £6.081m.
- 7.5 As highlighted in Table 15 and 16 above, current year end Collection Fund projections are showing an overall deficit of £6.081m, with the Council's proportion of this deficit being £5.412m. It is a particularly volatile area to forecast with many unknowns. Therefore, this area will be closely monitored over the forthcoming months. Collection Fund deficits have to be addressed and this may impact on the Councils budget in future years. Any anticipated financial impact in 2022/23 and future years will be considered within the Medium Term Financial Strategy.

8 Use of Reserves

- 8.1 Members will recall that at the Council budget meeting of 4 March 2021, it was agreed that Earmarked Reserves of £42.286m be used to support the 2020/21 budget. Of the Earmarked Reserves to be used, £15.703m were to be met from the specific balancing budget reserve, £0.127m related to a budget reduction which was agreed to be funded from the District Partnership Reserve and £1.000m from a reserve created from anticipated Local Income Tax Guarantee grant. A further £25.456m of reserves were to be used in 2021/22 as a result of Business Rates compensation funding received in 2020/21 and held in reserve to support the Collection Fund Deficit in 2021/22. Since the Budget Council meeting and as part of the closure of accounts, the completion of the NDR3 return determined that the Business Rate compensation related Collection Fund Deficit for 2021/22 would be revised downwards to £25.182m and this is the amount that was transferred to reserve at the end of the financial year. This resulted in the total call on reserves to support the revenue budget in 2021/22 of £42.012m.
- 8.2 As outlined at section 2.1.3 (b), £8.119m is to be transferred to reserves. This is additional Section 31 Grant Funding paid to the Council's General Fund in 2021/22 to compensate for Business Rates reliefs, and, having been transferred to reserves will be released to reimburse the corresponding element of the Collection Fund deficit in 2022/23. This grant funding position will be revised during the year as Business Rate Reliefs are awarded. It will therefore undoubtedly change.
- 8.3 In addition to the above transfer to reserves the Quarter 1 position incorporates Portfolio requests to use reserves with a total (net) value of £14.038m (most of which are COVID related), therefore the total net in-year planned use of reserves at Quarter 1 is £5.919m and the budget as a whole relies upon the application of £47.931m of reserves as demonstrated in Appendix 2

8.4 The levels of Reserves after the planned use and creation of Earmarked and Revenue Grant Reserves at Quarter 1 is summarised below. Setting aside the transfers to reserves, the opening earmarked reserves balance of £113.513m has already reduced to £69.244m.

Table 17 – Reserves Summary

	Earmarked Reserves £000	Revenue Grant Reserves £000	Total Reserves £000
Opening Balance as at 1 April 2021	(113,513)	(20,145)	(133,658)
Reserves applied to balance the Budget	16,830	-	16,830
Collection Fund Deficit – Business Rates relief	25,182	-	25,182
Balance after planned budget support	(71,501)	(20,145)	(91,646)
Transfers from Reserve			
People and Place	1,103	101	1,204
Community Health and Adult Social Care	166	-	166
Children's Services	54	1,569	1,623
Communities and Reform	838	6,128	6,966
Commissioning	-	4,169	4,169
Chief Executive	95	-	95
Total Transfers from Reserve	2,257	11,967	14,224
Transfers to Reserves			
People and Place	(85)	-	(85)
Communities and Reform	(100)	-	(100)
Capital, Treasury and Corporate Accounting	(8,119)	-	(8,119)
Total Transfers to Reserve	(8,304)	-	(8,304)
Closing Balance as at Quarter 1	(77,548)	(8,178)	(85,726)

8.5 In line with the Council's reserves policy, the recommended use of reserves to fund spend during the year have been initially approved by the appropriate officers prior to consideration by Cabinet. However, as there is a need to minimise the use of reserves in order to support the financial resilience of the Council, only those reserves supporting essential business will be utilised this year.

8.6 The availability of reserves is a demonstration of the financial resilience of the Council and as such the reserves must be carefully managed. However, the use of reserves is also a means by which the Council can support the 2022/23 and future years budget setting processes and Medium-Term Financial Strategy. Members will therefore recall that £12.297m of reserves has already been committed to support the 2022/23 budget process.

9 Flexible Use of Capital Receipts

9.1 Members will recall that at the Council meeting of 4 March 2021, it was approved that up to £2.000m of capital receipts would be used to underpin the revenue budget in line with the flexibilities agreed by Secretary of State for Housing, Communities and Local Government in March 2016.

9.2 A number of schemes in support of the transformation programme were identified which met the qualifying expenditure requirements as detailed within the statutory guidance issued by the MHCLG. As capital receipts in excess of £2.000m have already been generated in this financial year, this funding requirement has been met in full and there will be no variance in this regard.

10 Conclusion

10.1 The current projected position, after adjustment for reserves and receipt of additional Government funding to support COVID pressures, is showing a small overspend of £0.585m. It is important to note that this does not include the additional compensation for lost Sales, Fees and Charges income from Government as the methodology for calculating the loss of income has not been notified as yet. This grant compensation would reduce the adverse year end projection.

10.2 There remains a high degree of estimation in relation to the impact of COVID-19; whilst the vaccination programme continues apace and restrictions were eased on 19 July 2021, this is set against increases in the rate of infection and hospital admissions. The forecasting of the likely impact of the pandemic on the Council's budget is based on both the actual expenditure and the income loss recorded to date but also relies on a series of assumptions which are both unpredictable and constantly changing. Future reports will advise of the progress of mitigating factors and management actions to control and reduce the forecast deficit.

10.3 The reserves position is important in the context of financial resilience. Whilst the year started with healthy balances of earmarked reserves (£113.512m) and Revenue Grants Reserves (£20.145m), as advised in the report, earmarked reserves of £44.269m and Revenue Grant reserves of £11.967m (mostly COVID related) have already been called into support the 2021/22 budget. It is important to minimise the use of reserves in year to maintain financial resilience.

Planned Use of Reserves to 30 June 2021 - Quarter 1

APPENDIX 1

Reserve Name	Balance as at 01 April 2021	Actual use / creation of reserves 2020/22 - up to Quarter 1	Forecast use/ creation of reserves 2021/22 - up to Quarter 1	Anticipated Closing Balance 31 March 2022	Reason for Use of Reserve
	£000	£000	£000	£000	
Earmarked Reserves					
Integrated Working Reserve					
GMSF/Local Plan	(191)		127	(64)	To fund the Local Plan and GM Spatial Framework in order to deliver the Local Plan and ensure that Oldham feeds into GM Spatial Planning
The Oldham Model	(390)		79	(310)	To fund the Strengths Based Approach Model
ASC - Thriving Communities	(623)		124	(499)	To fund the Thriving Communities programme
Regeneration Reserve					
Creating a Better Place	(2,864)		730	(2,134)	To support revenue costs for the developing the Creating a Better Place programme
Directorate Reserves					
Highways Works Orders	(377)		246	(131)	To fund Highways works orders relating to the 2020/21 Highways programme that will now need to be included in the 2021/22 programme as a result of the reprioritisation of resources resulting from the impacts of the Covid-19
Legal Support COVID-19 Legacy	(165)		95	(70)	To fund locum solicitors within the Legal Team
Council Initiatives Reserve					
Learning & Attainment Reserve	(355)		54	(300)	To fund senior management costs (Oldham Education and Skills commission)
Northern Roots	(345)		345	(0)	To support delivery of the Northern Roots project as approved by Cabinet on 28 January 2019
Transformation Reserve					
Transformation Reserve (Transformation and Reform)			165		Transformation programme 2021/22
Transformation Reserve (Northern Roots)	(2,262)		125	(1,972)	To support delivery of the Northern Roots project as approved by Cabinet on 28 January 2019
Adult Social Care - Better Care Fund	(3,394)		166	(3,228)	To support the transformation and improvement programme in Adult Social Care
Sub Total	(10,966)	0	2,257	(8,709)	
Balancing Budget Reserve					
Collection Fund Deficit	(25,182)	25,182		0	To support the Collection Fund deficit arising from the introduction of Business Rates reliefs after the 2020/21 budget had been set
Corporate Reserve to balance budget	(28,000)	15,703		(12,297)	
Budget Reduction REF-BR1-432	(127)	127		0	As agreed by Council on 4 March 2021, £16.830m of Earmarked Reserves are required to support the 2021/22 budget
Specific Reserve - Local Tax Income Guarantee	(1,000)	1,000		0	
Sub Total Balancing Budget Reserve	(54,309)	42,012	0	(12,297)	
Total Planned use of Earmarked Reserves 2020/21	(65,275)	42,012	2,257	(21,006)	
Planned Increase / Creation of Earmarked Reserves					
Collection Fund Deficit – Business Rates compensation	0	(8,119)		(8,119)	S31 Grant compensation for irrecoverable Collection Fund Losses in 2021/22 - transfer to reserve
Library PFI Sinking Fund	(200)	(100)		(300)	Reserve set aside for a sinking fund for IT refresh costs for the Library PFI.
Mercury Abatement	0		(85)	(85)	Contribution to the cost of a new cremator when mercury abatement assets are a requirement
Total Planned Increase / Creation of Earmarked Reserves 2020/21	(200)	(8,219)	(85)	(8,504)	
NET Use/Increase of Earmarked Reserves	(65,475)	33,793	2,172	(29,510)	
Total Earmarked Reserves	(113,513)	33,793	2,172	(77,548)	
Revenue Grant Reserves					
Towns Fund Initial Capacity Funding	(70)		70	0	To provide funding for the revenue costs of working up business cases to support the schemes in the Towns Fund bids
Covid 19 Compliance & Enforcement Grant	(31)		31	0	Funding towards the cost of the Covid Compliance team which is set to continue in operation until 31st July 2021.
Tackling Troubled Families			251		To fund Children's Services senior management support
Tackling Troubled Families	(1,291)		141	(899)	To fund mosaic system developments within Children's Social Care
Tackling Troubled Families	(83)	83		0	Budgeted reserve to fund Partnership Support costs
Opportunity Area Grant	(1,094)	1,094		0	To fund the Council's ongoing Opportunity Area work in Education and Early Years
Contain Outbreak Management Fund	(5,341)		5,341	0	To support the containment of COVID-19 at a local level in 2021/22
Well North Growing Oldham Feeding Ambition	(230)		230	0	To continue the Growing Oldham Feeding Ambition project in 2021/22
Public Health Grant	(306)		306	0	To fund the Thriving Communities programme
Thriving Communities	(251)		251	0	To fund the Thriving Communities programme
Additional Restrictions Grant	(4,047)		4,063	16	To support the discretionary Additional Restrictions grant scheme
Winter Grant Scheme	(122)		122	0	The Winter Grant Scheme - final element of funding for 2020/21 - to provide support to families with children, other vulnerable households and individuals.
Total Planned use of Revenue Grant Reserves	(12,866)	1,177	10,806	(882)	
Total Revenue Grant Reserves	(20,145)	1,177	10,806	(8,162)	
NET Use/Increase of Reserves Earmarked and Grant Reserves		43,189	13,063		
Represented by:					
Increase to Reserves		(8,219)	(85)		
Total Use of / change to Earmarked and Revenue Grant Reserves	(133,658)	34,970	12,978	(85,710)	

FINANCING OF THE 2021/22 BUDGET AT QUARTER 1	Original Budget	Additions to Quarter 1	Revised Budget
	£'000	£'000	£'000
Net Expenditure Budget	(254,179)		(254,179)
Financed by:			
Business Rates Top-up Grant	(41,748)		(41,748)
Public Health Business Rates Top-up		(164)	(164)
Improved Better Care Fund Grant	(10,859)		(10,859)
Grants in Lieu of Business Rates	(10,843)	(5)	(10,848)
2021/22 Social Care Support Grant	(8,947)		(8,947)
COVID-19 Grant	(7,737)		(7,737)
Local Council Tax Support Grant	(3,183)		(3,183)
Independent Living Fund (ILF) Grant	(2,580)		(2,580)
Housing Benefit & Council Tax Administration Grant	(1,178)	(11)	(1,189)
Domestic Abuse Safe Accommodation Funding	(578)		(578)
Lower Tier Services Support Grant	(407)		(407)
New Homes Bonus Grant	(171)		(171)
New Burdens Grant		(229)	(229)
Capital grants		(111)	(111)
School Improvement Monitoring and Brokerage Grant		(108)	(108)
Additional New Burdens in Welfare Reform		(94)	(94)
Verify Earnings and Pension Service		(24)	(24)
Section 31 grant for Collection Fund Deficit (to be transferred to Reserves)		(8,119)	(8,119)
Total Government Grant Funding	(88,231)	(8,865)	(97,096)
Council Tax Income - General	(88,329)		(88,329)
Council Tax Income - Adult Social Care Precept	(10,523)		(10,523)
Collection Fund Deficit	25,809	(274)	25,535
Use of Reserves to offset Collection Fund Deficit	(25,456)	274	(25,182)
Retained Business Rates	(50,619)		(50,619)
Total Locally Generated Income	(149,118)	0	(149,118)
Total Grant and Income	(237,349)	(8,865)	(246,214)
Balance to be addressed by Use of Reserves	(16,830)		(16,830)
Total Financing	(254,179)	(8,865)	(263,044)

Ringfenced COVID Funding 2021/22

Grant	Awarded 2021/22 £
Grants:	
Reopening the High Street Safely Fund (RHSSF)/Welcome Back Fund	210,418
Contain Outbreak Management Fund	1,996,711
Test and Trace Support Payments	
- Mandatory payments	18,750
- Discretionary payments	152,750
- Administration	80,488
COVID Winter Grant Scheme	338,848
COVID Local Support Grant	1,146,693
Self-isolation Practical Support Payment	193,182
Elections Support Grant	98,498
Holiday Activity Funding	1,566,220
Prevention and Promotion Fund for Better Mental Health	323,137
Infection Control Fund (Quarter 1)	878,214
Infection Control Fund (Quarter 2)	614,131
COVID Rapid Flow Testing (Quarter 1)	640,337
COVID Rapid Flow Testing (Quarter 2)	478,160
COVID - Next Steps Accommodation Programme	45,533
Sub Total	8,782,070
Other funding:	
GM Self Isolation Pathway	183,035
Hospital Discharge Fund (Quarter 1 Claim)	520,189
Total	9,485,294

Summary of 2021/22 Approved Budget Reductions and deliverability

Reference	Approved Budget Reductions	2021/22			
		Approved Budget Reduction £000	RAG Rating Green - on track and will be delivered Amber - off track but measures in place to recover the position Amber/Red - off track and will only be delivered part of saving Red - off track and will not deliver	Deliverable £000	Shortfall £000
CSA-BR1-423	Maximising independence through alternative models of care	(1,500)	Amber/Red	(500)	1,000
CSA-BR1-424	CHASC Workforce Reduction	(100)	Green	(100)	0
CSA-BR1-425	Out of Hours Call Centre Support for Community Health Services	(20)	Red	0.0	20
CSA-BR1-426	Carers Personal Budgets	(100)	Green	(100)	0
CSA-BR1-427	Brokerage	(250)	Green	(250)	0
CSA-BR1-429	KeyRing	(50)	Green	(50)	0
CSA-BR1-430	Achieving Better Outcomes: Supported Living & Learning Disabilities	(288)	Red	0.0	288
CSA-BR1-431	Wellbeing Service	(70)	Green	(70)	0
CSA-BR1-433	Adult Social Care Sheltered Housing	(100)	Green	(100)	0
CSA-BR1-434	Adult Social Care Prevention and Early Intervention Service	(200)	Green	(200)	0
CSA-BR1-436	To cease the funding of the Men in Sheds service	(51)	Green	(51)	0
Directorate : Community Health & Adult Social Care		(2,729)		(1,421)	1,308
REF-BR1-422	Sport Development	(13)	Green	(13)	0
REF-BR1-428	School Swimming	(11)	Green	(11)	0
REF-BR1-416	Districts Realignment	(136)	Green	(136)	0
REF-BR1-418	Reduction in Members Ward Budgets	(60)	Green	(60)	0
REF-BR1-432	Review of Elected Member Reserves	(127)	Green	(127)	0
REF-BR1-438	HR Staffing Review	(120)	Green	(120)	0
REF-BR1-413	Gallery Oldham	(22)	Green	(22)	0
REF-BR1-415	Mahdlo Funding Reduction	(100)	Green	(100)	0
REF-BR1-417	Youth Service Kerching	(37)	Green	(37)	0
Directorate : Communities and Reform		(626)		(626)	0
CHS-BR1-442	Early Help Staffing Efficiencies	(40)	Green	(40)	0
CHS-BR1-443	External Placements Cost Avoidance	(500)	Green	(500)	0
CHS-BR1-440	Quality and Effectiveness Support Team - Service Efficiency / Review	(192)	Green	(192)	0
CHS-BR1-441	Special Educational Needs & Disability (SEND) Education Provision	(114)	Amber	(114)	0
CHS-BR1-437	Reduction in Traineeship Programme	(65)	Green	(65)	0
Directorate : Childrens Services		(911)		(911)	0
CEX-BR1-410	Corporate Priorities - CEX	(27)	Green	(27)	0
CEX-BR1-420	Legal Staff Reductions & Reduction of post in Democratic Services	(90)	Green	(90)	0
CEX-BR1-447	Registrars Service Restructure	(17)	Green	(17)	0
Directorate : Chief Executive		(134)		(134)	0
PPL-BR1-403	Digital Mail	(24)	Green	(24)	0
PPL-BR1-401	Creating a Better Place - Projects & Assets	(1,541)	Amber	(1,541)	0
PPL-BR1-402	Creating a Better Place - Service Review	(300)	Amber	(300)	0
PPL-BR1-404	Printing Reduction - Digital Platform Roll Out	(20)	Green	(20)	0
PPL-BR1-408	To re-align grounds maintenance to support core service functions and reduce the traded offer	(150)	Green	(150)	0
PPL-BR1-407	Transfer of client officer to Unity	(40)	Green	(40)	0
PPL-BR1-406	Review of Street Lighting Contract	(150)	Green	(150)	0
PPL-BR1-409	Restructure of Neighbourhood Enforcement Team	(100)	Green	(100)	0
PPL-BR1-439	Internal Efficiency Initiatives (Unity Partnership)	(780)	Green	(780)	0
PPL-BR1-421	Transformation of the Contact Centre	(120)	Green	(120)	0
Directorate : People and Place		(3,225)		(3,225)	0
COM-BR1-411	Procurement Staffing Reduction	(101)	Green	(101)	0
COM-BR1-412	Financial Services Redesign	(389)	Green	(389)	0
Directorate : Commissioning		(490)		(490)	0
CRC-BR1-448	Voluntary Redundancies	(805)	Green	(805)	0.0
Directorate : Cross Cutting		(805)		(805)	0
Grand Total		(8,920)		(7,612)	1,308

CAPITAL INVESTMENT PROGRAMME REPORT 2021/22

Quarter 1 - June 2021

1 Background

- 1.1 The original capital programme for 2021/22 reflects the priorities outlined in the capital strategy as approved at Cabinet on 23 February 2021 and confirmed at the Council meeting on the 4 March 2021.
- 1.2 The position as at 30 June 2021 is highlighted in this report but as the year progresses the outturn projections will reflect the evolving position.
- 1.3 For the remainder of the financial year, the programme will continue to be monitored and revised to take account of any new developments and changes in the profile of planned expenditure.

2 Current Position

- 2.1 The approved capital programme summary position for the five financial years 2021/22 to 2025/26, approved by Council on 4 March 2021 is summarised in Table 1 and shows capital programme expenditure of £86.002m in 2021/22.

Table 1 : Original Budget - Capital Programme 2021/22 to 2025/26

2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	TOTAL £000
86,002	94,153	71,418	62,553	27,454	341,580

- 2.2 The 2020/21 Month 9 report approved at Cabinet on 22 March 2021 projected an outturn position of £71.012m. However, the actual outturn was £73.227m, a variance of £2.215m compared to the last reported position at month 9. Further approved accelerations of £0.292m in the final quarter of 2020/21, therefore required net resources of £1.923m being accelerated from 2021/22 and future years, as detailed in Table 2 and Appendices A-F.
- 2.3 Table 2 shows the original capital programme forecast spend for 2021/22 at £86.002m. There have been a range of changes, explained below, that increase the capital programme to £100.404m. This report presents a further proposed rephasing of £12.330m to give the projected revised expenditure of £88.075m.
- 2.4 Actual expenditure to 30 June 2021 was £4.791m (5.44% of forecast outturn). This spending profile is lower than previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.

Table 2 – 2021/22 Capital Programme

Directorate	Original Budget 2021/22 £000	Further Budget changes £000	Outturn Position Revision £000	Revised Budget 2021/22 £000	Proposed Virement/ Rephase £000	Revised Budget (M03) £000	Forecast £000	Variance £000
Corporate Services	6,762	617	277	7,656	-	7,656	7,656	-
Children's Services	6,110	2,395	(236)	8,269	-	8,269	8,269	-
Communities and Reform	637	119	(63)	693	-	693	693	-
Community Health & Adult Social Care	3,409	(371)	369	3,407	-	3,407	3,407	-
Housing Revenue Account	3,412	1,116	(465)	4,063	-	4,063	4,063	-
People and Place	65,671	12,449	(1,804)	76,316	(12,330)	63,986	63,986	-
Overall Total	86,002	16,325	(1,923)	100,404	(12,330)	88,075	88,075	-

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

- 2.5 Subsequent to the approval of the 2021-2026 Capital Strategy and Capital Programme at Council 4 March 2021, virements of £10.085m (an increase to the 2021/22 capital programme and reduction to the 2020/21 capital programme) were approved. This revised the 2020/21 capital programme down to £71.012m and increased the 2021/22 programme to £96.087m. However, there was then further approved rephasing into 2021/22 of £5.233m and the receipt of the additional grants and contributions of £1.007m encompassing £0.343m of additional Disabled Facilities Grant, £0.023m from private contributions for Disabled Facilities Grant funded schemes and additional £0.641m of School Condition Allocation (SCA). These movements total £16.325m.
- 2.6 The 2020/21 outturn required the rephasing of £1.923m (the net acceleration of 2021/22 and future years approved budgets), thus reducing the planned spending in 2021/22.
- 2.7 The changes outlined in paragraphs 2.5 and 2.6 resulted in increased planned spending in 2021/22 to £100.404m, to which further net changes of £12.330m are proposed to reflect anticipated virements and further rephasing of spending as detailed in Appendix G.
- 2.8 Due to the continued COVID-19 pandemic, there remains an element of uncertainty about the forecast position, that said the forecasts are based on the latest and most up to date information. A further breakdown of Table 2 on a service by service area basis is shown at Appendices A to F and a detailed breakdown of proposed virement/rephasing of both expenditure and financing, is shown in Appendix G.

Re-profiling of the Capital Programme

2.9 The revised capital programme for 2021/22 to 2025/26, taking into account all the above amendments in arriving at the revised forecast position, is shown in Table 3 together with the projected financing profile.

Table 3 – 2021/2026 Capital Programme

Directorate Budget	Revised Budget 2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Corporate Services	7,656	4,269	3,119	1,374	3,896	20,314
Children's Services	8,269	14,335	13,142	-	-	35,746
Communities and Reform	693	-	-	-	-	693
Community Health & Adult Social Care	3,407	400	400	1,100	-	5,307
Housing Revenue Account	4,063	8,127	7,914	1,150	-	21,254
People and Place	63,986	81,047	46,293	57,165	23,558	272,050
Grand Total	88,075	108,178	70,868	60,789	27,454	355,364

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

Funding	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Grant & Other Contributions	(25,756)	(20,693)	(8,371)	(1,973)	(1,973)	(58,766)
Prudential Borrowing	(50,816)	(73,654)	(53,581)	(56,269)	(25,481)	(259,801)
Revenue	(4,089)	(8,127)	(7,914)	(1,150)	-	(21,280)
Capital Receipts	(7,414)	(5,704)	(1,002)	(1,397)	-	(15,517)
Grand Total	(88,075)	(108,178)	(70,868)	(60,789)	(27,454)	(355,364)

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

2.10 The revised Provision for Emerging Priorities for 2021/22 to 2025/26, taking into account all the above amendments is contained within the Corporate Services budget and is as follows:

Table 4 - Provision for Emerging Priorities

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Provision for Emerging Priorities	1,165	4,200	3,050	1,236	3,896	13,547

Capital Receipts

2.11 The capital programme requires the availability of £7.414m of capital receipts in 2021/22 for financing purposes, this includes £2.000m to support transformational activity in the General Fund using the flexibility allowed by the Government. The usable capital receipts forecast for the current year is £7.542m, a projected surplus of £0.128m. The total net usable capital receipts currently received in year is £2.311m, the first call being the £2.000m outlined above.

2.12 The capital receipts position as at 30 June 2021 is as follows:

Table 5 – Capital Receipts 2021/22

	£000	£000
Capital Receipts Financing Requirement		7,414
Usable Capital Receipt b/fwd.	-	
Actual received to date	(2,311)	
Further Required/(Surplus) in 2021/22		5,103

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

2.14 The Capital Strategy and Capital Programme 2021/22 to 2025/26 introduced an expectation of the level of receipts that is anticipated in each of the respective years and therefore an estimate as to the resultant level of over or under programming in order to present a balanced budget. The position as at 30 June 2021 is illustrated in the table below:

Table 6 – Capital Receipts 2021/26

Capital Receipts	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Capital Receipts Carried Forward	-	(128)	4,679	4,356	5,753
Estimated Capital Receipts	(5,231)	(897)	(1,325)	-	-
Received in year	(2,311)				
Total Receipts	(7,542)	(1,025)	3,354	4,356	5,753
Capital Receipts Financing Requirement	7,414	5,704	1,002	1,397	-
Over/(Under) programming	(128)	4,679	4,356	5,753	5,753

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

2.15 As shown above, the most recent projection indicates a potential shortfall in all but the current year of the programme. However, until a thorough review of the asset disposal programme has taken place (which is expected to increase receipts), it is prudent to retain the current programme and review during the course of the current year.

Annual Review of the Capital Programme

2.16 In accordance with previous practice, there will once again be a review of the capital programme over the summer months (the Annual Review). This will examine any further opportunities to reallocate, decommission or reprofile resources. It will also include an in-depth analysis of capital receipts which may lead to opportunities to increase resource levels to support new projects or provide an alternative to prudential borrowing.

New Funding

- 2.17 Since 30 June 2021 the Council has been notified of grant funding, which has not yet been incorporated within financial tables but will be in future reports. This includes:
- additional grant of £1.071m from the Highway Maintenance Integrated Transport Block
 - a grant award of £24.4m from the Towns Fund to support major projects including the Creating a Better Place investment programme

3 Conclusion

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

4 Appendices

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

SUMMARY – Quarter 1 – Corporate Services

Service area	Original Budget £000	Approved Changes /Virements £000	2020/21 Rephasing/ Acceleration £000	Revised Budget 2021/22 £000	Proposed Virement £000	Revised Budget M03 £000	Forecast £000	Year End Variance £000
Corporate	6,762	617	277	7,656	-	7,656	7,656	-
	6,762	617	277	7,656	-	7,656	7,656	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Children’s Services

Service area	Original Budget £000	Approved Changes /Virements £000	2020/21 Rephasing/ Acceleration £000	Revised Budget 2021/22 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Children, Young People & Families	118	(65)	33	86	-	86	86	-
Schools – General Provision	63	356	112	531	-	531	531	-
Schools – Primary	942	455	361	1,758	-	1,758	1,758	-
Schools – Secondary	1,404	1,934	(717)	2,621	-	2,621	2,621	-
Schools – Special	-	162	2	164	-	164	164	-
Schools – New Build	3,583	(448)	(26)	3,109	-	3,109	3,109	-
	6,110	2,395	(236)	8,269	-	8,269	8,269	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Communities and Reform

Service area	Original Budget £000	Approved Changes /Virements £000	2020/21 Rephasing/ Acceleration £000	Revised Budget 2021/22 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
District Investment Fund	637	119	(63)	693	-	693	693	-
	637	119	(63)	693	-	693	693	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Community Services & Adult Social Care

Service area	Original Budget £000	Approved Changes /Virements £000	2020/21 Rephasing/ Acceleration £000	Revised Budget 2021/22 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Adult Services	3,409	(371)	369	3,407	-	3,407	3,407	-
	3,409	(371)	369	3,407	-	3,407	3,407	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Housing Revenue Account (HRA)

Service area	Original Budget £000	Approved Changes /Virements £000	2020/21 Rephasing/ Acceleration £000	Revised Budget 2021/22 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Housing Revenue Account	3,412	1,116	(465)	4,063	-	4,063	4,063	-
Reform Total	3,412	1,116	(465)	4,063	-	4,063	4,063	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - People and Place

Service area	Original Budget £000	Approved Changes /Virements £000	2020/21 Rephasing/ Acceleration £000	Revised Budget 2021/22 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Asset Management – Corporate Premises	9,845	5,226	(495)	14,576	-	14,576	14,576	-
Asset Management - Education Premises	3,814	1,566	(698)	4,682	-	4,682	4,682	-
Boroughwide Developments	6,133	331	833	7,297	-	7,297	7,297	-
Development	-	13	-	13	-	13	13	-
District Partnership – Boroughwide	213	52	(26)	239	-	239	239	-
Environment – Countryside	100	90	(45)	145	-	145	145	-
Environment – Parks	74	(23)	28	79	-	79	79	-
Env - Playing Fields & Facilities	12	(20)	10	2	-	2	2	-
ICT	2,898	1,337	(155)	4,080	-	4,080	4,080	-
Parks & Playing Fields	2	26	(13)	15	-	15	15	-
Private Housing – HMRF	200	(165)	82	117	-	117	117	-
Private Housing	729	-	-	729	-	729	729	-
Public Realm	91	18	(9)	100	-	100	100	-
Schools	289	(289)	-	-	-	-	-	-
Strategic Acquisitions		13	(13)	-	-	-	-	-
Town Centre Developments	12,253	3,383	(1,142)	14,494		14,494	14,494	-
Transport - Accident Reduction	848	215	(105)	958	(106)	852	852	-
Transport - Bridges & Structures	5,090	700	(266)	5,524	(3,742)	1,782	1,782	-
Transport - Fleet Management	937	(144)	72	865	-	865	865	-
Transport - Highway Major Works/Drainage schemes	21,340	(958)	581	20,963	(11,416)	9,547	9,547	-
Transport – Metrolink	-	2	(1)	1	(1)	-	-	-
Transport - Minor Works	774	503	(229)	1,048	(455)	593	593	-
Transport – Miscellaneous	30	538	(196)	372	3,389	3,761	3,761	-

Service area	Original Budget £000	Approved Changes /Virements £000	2020/21 Rephasing/ Acceleration £000	Revised Budget 2021/22 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Transport - Street Lighting	-	36	(18)	18	-	18	18	-
	65,671	12,449	(1,804)	76,316	(12,330)	63,986	63,986	-

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

SUMMARY – Quarter 1 - People and Place Cont'd

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Proposed Variations

EXPENDITURE BUDGETS TO BE REPROFILED AS AT 30 JUNE 2021	2021/22	2022/23	Comments
Directorate / Scheme	£	£	
People and Place			
2019/20 Highways Improvement Programme (HIP) Schemes - Amber	(36,922)	-	Budget realignment within Service
2020/21 HIP Schemes - Amber	(890,881)	-	Budget realignment within Service
2020/21 HIP Schemes - Red	(54,700)	-	Budget realignment within Service
2021/22 HIP Schemes - Red	684,714	-	Budget realignment within Service
2021/22 HIP Schemes Amber	627,803	-	Budget realignment within Service
A672 Oldham Road, Denshaw (Rest Area) Reconstruction	(268)	-	Budget realignment within Service
Abbey Hills road - Instillation of pedestrian island	(46,800)	-	Budget realignment within Service
Abbey Hills Road Resurfacing	(44,462)	-	Budget realignment within Service
Sarah's Footbridge, East of Corbett Way, Denshaw	(198)	-	Budget realignment within Service
Burnley Street, Chadderton	(19,554)	-	Budget realignment within Service
Stannybrook Road (Daisy Nook Farm to Boundary)	(34,365)	-	Budget realignment within Service
Challenge Fund- A62 Oldham Way- Casualty Reduction Scheme	(638)	-	Budget realignment within Service
Chew Valley Road, Greenfield - School safety zone	(44,958)	-	Budget realignment within Service
Church Road Bridge	12,000	-	Budget realignment within Service
Cooper Street, Springhead - Reconstruction Scheme	(3,726)	-	Budget realignment within Service
Cycling / Walking Improvement Schemes	(20,000)	-	Budget realignment within Service
Sandy lane, Royton - Traffic calming	(60,000)	-	Budget realignment within Service
Waterloo & Wellington Bridges	(3,650,000)	4,759,600	Budget Rephase & Realignment within Service
Market Hall Connectivity Improvements	2,706,535	-	Budget realignment within Service
Growth Deal 3 - Programme Management Support	164,000	-	Budget realignment within Service
Lane Head Road, Lees	(9,145)	-	Budget realignment within Service
Chadderton Pedestrian & Cycle Access Improvements	(359,564)	253,000	Budget Rephase & Realignment within Service

Oldham Town Centre Improvements	(7,886,535)	5,180,000	Budget Rephase & Realignment within Service
Park Road to Town Centre	(1,555,025)	1,268,000	Budget Rephase & Realignment within Service
Royton Town Centre Connection	(490,192)	370,000	Budget Rephase & Realignment within Service
Metrolink Highway and Footway works in Town Centre	(563)	-	Budget realignment within Service
Minor Structures Works	3,726	-	Budget realignment within Service
Oldham Way Footbridge	(94,273)	-	Budget realignment within Service
Park Road / Kings Road / Woodstock Street Junction Improvements	(42,494)	-	Budget realignment within Service
Pedestrian Island Lansdowne Road (near Block Lane)	(250)	-	Budget realignment within Service
Public Rights of Way Improvements	14,49	-	Budget realignment within Service
Southlink Traffic Signal Junction	518,000	-	Budget realignment within Service
Transport Investment	(1,715,646)	-	Budget realignment within Service
People and Place TOTAL	(12,329,891)	11,830,600	
TOTAL	(12,329,891)	11,830,600	

FINANCING BUDGETS TO BE REPROFILED AS AT 30 JUNE 2021	2021/22	2022/23	
Fund Source	£	£	
Grants and Contributions	11,816,110	(11,830,600)	
Prudential Borrowing	-	-	
Revenue Contribution	-	-	
Capital Receipts	513,781	-	
TOTAL	12,329,891	(11,830,600)	