

PERFORMANCE OVERVIEW AND SCRUTINY COMMITTEE
26/08/2021 at 6.00 pm



Present: Councillor Malik (Vice-Chair, in the Chair)
Councillors Byrne, Iqbal, Islam and Kenyon

Also in Attendance:

Andy Collinge	Head of School Support Services
Andy Cooper	Senior Finance Manager
Kaidy McCann	Constitutional Services
Anne Ryans	Director of Finance
Mark Stenson	Internal Audit & Corporate Assurance

1 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Ahmad and Alexander.

2 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

3 **URGENT BUSINESS**

There were no items of urgent business received.

4 **PUBLIC QUESTION TIME**

The Committee considered two public questions that had been received in accordance with the Council's Constitution.

Question received from Eamonn Keane:

The report relating to Agenda item 6 presents data at the Oldham borough level, and compares this with national data. This masks the gross inequalities within the Borough with regards to educational opportunities and outcomes.

For example, a parent's chances of getting their first choice school are excellent in some wards in the Borough - over 90% - whereas elsewhere in Oldham this indicator can be lower than 50%. Similarly, the percentage of families getting one of their first 3 preferences varies massively between wards.

In simply reporting and monitoring the Borough averages, rather than Ward level data, is the Council not failing to address the inequalities in education within Oldham? Does the Council have any objectives to do so?

The Oldham Fairness Commission report in 2015 contained the recommendation to "define a comprehensive dataset for monitoring progress in tackling education inequalities". Was this implemented, and if so, is it available publicly?

The Brian Clarke Academy will be another town centre school that prefers children from far and wide - if they meet faith criteria - to children from deprived backgrounds, living on the school's doorstep. Those children's educational opportunities are much poorer by comparison, but they are at the back of the queue for places. Could the reason councillors have supported this inequitable admissions policy, be due to a lack of awareness of the inequalities within the Borough?

Question received from Fakrul Choudhury:
Answering a question about the Brian Clarke Academy at last month's Cabinet meeting, Cllr Mushstaq stated 'The Council feel that the Admissions arrangements for the new school will ensure all groups will have an equal opportunity to gain a place at that school'.

This is demonstrably untrue. It is a matter of fact, not opinion. Most Oldhamers are only eligible for the places allocated to their geographical zone, but children of regular worshippers are also eligible for the 'faith-based places'. As a result, those children have access to over twice as many places. We are sure that Cllr Mushtaq will not have intended to mislead residents, but his words could give them the false impression that that their child has an equal chance of going to the Brian Clarke Academy, when they don't.

It is regrettable that children face religious discrimination in the allocation of school places, but it would be a further injustice for parents to be deceived about the effect of this.

Could we therefore request that Council formally withdraw the claim that all groups have an equal opportunity to gain a place at the school?

5 **MINUTES OF PREVIOUS MEETING**

RESOLVED that the minutes of the meeting held on 24th June 2021 be approved as a correct record.

6 **DELIVERY OF ADDITIONAL SCHOOL PLACES AND ADMISSIONS**

The Committee gave consideration to a report which updated members on the delivery of additional school places and admissions.

The Committee were advised that there had been a reduction in the numbers of Primary aged pupils within Oldham schools. As at the January 2019 census there were 24337 pupils in Oldham schools compared to 24115 in 2021. Within Secondary schools however, the number of pupils on roll continued to rise from 15800 pupils in 2019 to 16711 in 2021.

The service had experienced a downturn in the number of applications for Primary school places and work was ongoing to investigate the reasons and implications for schools. Place

pressure within Secondary schools continued however the pressure would be accommodated with places available in each cohort. Three schools within Oldham had places available in all the 5-year groups. The Primary sector had place pressure in years 5 and 6 with year 5 under significant pressure resulting in no year 5 places in Chadderton and East Oldham.

The Committee was informed that allocation of first preference was back on an upwards trend. In 2015 81% of parents were allocated their first preference of secondary school, this dropped to 79% in 2016 to a low of 73% in 2017. First preference places for secondary increased to 75.7% in 2021 and was anticipated to rise once the Brian Clarke Academy opens in September 2022. It was noted that in total for 2021, 89.95 of pupils gains one of their top three preferences of secondary school. Primary school allocations had stayed relatively static between 2015-19 at 90% offered first preference. 2021 had increased to 93.7% with 98.35 of pupils receiving a place at their top three preference primary schools.

Work had been done in recent years to increase the number of places available for pupils at good and outstanding schools. Recent and proposed increases in secondary schools had been agreed at the following schools and academies:

- Oasis Leesbrook -150 additional places from 2021
- The Brian Clarke Academy (Bluecoat 2) – 240 additional places from 2022.
- Saddleworth School Rebuild due to open in February 2022 will offer an additional 20 places per year group.

Approval had recently been granted to develop and build a new primary school in Chadderton (Calderton Primary School) which would provide additional places in the Chadderton area and provide a resource centre for children with SEND. Due to more places becoming available the number of school appeals had significantly reduced from 227 primary and 330 secondary appeals heard for the September 2019/20 intake to 167 primary and 207 secondary appeals for September 2020/21 intake. In contrast to this, the number of late applications had increased for 2021 due to the COVID-19 lockdown and lack of face to face communication parents would receive from nurseries and primaries reminding parents to apply.

Members queried if Brexit was a factor affecting pupil numbers with families returning to their home Countries. It was noted that whilst it was a factor it was mainly COVID-19 restrictions causing families to be stuck abroad.

Members asked for clarification on feeder schools and whether the Council had a say on which schools feed to others. It was noted that the Council only had a say in Voluntary Controlled schools. Academy and Voluntary Aided schools set their own policies however consultations would need to be held if there was a change to their policies. Saddleworth school was the only Voluntary Controlled secondary school in the Borough

compared to two thirds of all primary schools. This was due to the Government push for Academy type schools.



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RESOLVED that the report be noted.

7

OVERVIEW AND SCRUTINY WORK PROGRAMMES 2020/21 - OUTTURN

The Committee considered a report which present the outturn Overview and Scrutiny Work Programme for the 2020/21 Municipal Year.

The Committee was reminded that each Overview and Scrutiny Committee (procedure rule 4.1) was required to prepare and maintain a Committee Work Programme and further required to collectively arrange for an Overview and Scrutiny Annual Report to be submitted to the Full Council for consideration. A report was to be presented to a meeting of the Full Council to be held on 8th September 2021.

Attached to the report were:

Appendix 1 – Overview and Scrutiny Board Outturn Work Programme 202/21

Appendix 2 – Overview and Scrutiny Performance and Value for Money Select Committee Outturn Work Programme 2020/21

Appendix 3 – Health Scrutiny Committee Outturn Work Programme 2020/21

Submission of the outturn work programmes would bring a formal conclusion to the 2020/21 overview and scrutiny programme and complement the Annual Report submission to Council.

The Committee was advised that the three outturn reports were being submitted to the three current Committees due to the transfer of responsibilities that had occurred on implementation of the new overview and scrutiny arrangements in May 2021.

RESOLVED that:

1. That the Performance Overview and Scrutiny Committee notes the Overview and Scrutiny Board Outturn Work Programme 2020/21, Overview and Scrutiny Performance and Value for Money Select Committee Outturn Work Programme 2020/21 and the Health Scrutiny Committee Outturn Work Programme 2020/21; and
2. That the Performance Overview and Scrutiny Committee reserved the right to convene Joint meetings of the Scrutiny Committee when required.

8

2020/21 ANNUAL STATEMENT OF ACCOUNTS

The Committee gave consideration to a report which presented the 2020/21 Annual Statement of Accounts including the revenue and capital expenditure outturn position.

The Committee was informed that the overall revenue outturn position for 2020/21 was at a positive variance of £2.153m and would be credited to the General Fund balance, contributing to the Council's financial resilience in future years. The deadline for the preparation of the 2019/20 Accounts had been extended due to the pandemic and had again been revised for 2020/21. Due to the multi-year impact of COVID-19, the deadline for the 2021/22 financial year had also been changed. The publication date for the final audited accounts for 2020/21 had been adjusted from 31st July 2021 to 30th September 2021 and the 2021/22 accounts would need to be published on 30th September 2022.

The Committee was advised that the Statement of Accounts had been considered at the Audit Committee on the 29th July 2021 where they were expected to be approved. However, although substantially completed, the audit work had not been finalised. It was agreed that delegation of the final approval of the Council's Statement of Accounts, once there had been a resolution to the outstanding matters, would go to the Vice Chair of the Audit Committee having regard to the advice of the Director of Finance and the External Auditor.

The Committee were provided with the breakdown of the year end positions for each portfolio which were as followed:

- People and Place Portfolio - there was a deficit of £4.456m against a revised budget of £87.923m. the adverse variance was mostly in the Economic Development service relating to the loss of income as a result of the COVID-19 pandemic. The final outturn of £4.456m was an improvement of £0.472m compared to the projected deficit of £4.928m at month 9 (31 December 2020). The reduced variance was due to the economic impact of the third lockdown being less severe than had been anticipated.
- Community Health and Adult Social Care Portfolio - had a favourable outturn of £1.657m which represented an improvement of £3.245m compared to the forecast pressure of £1.588m reported at month 9. The variance movement was attributed to the cost of care provision being below expectations due to more financial support from the NHS funded Hospital Discharge Scheme and the additional contributions by the CCG to the cost of care.
- Children's Services Portfolio - as a whole recorded an overspend of £8.059m against a revised budget of £81.706m. The majority of the adverse variance (£7.784m) was within Children's Social Care, primarily due to the cost of placements; out of borough in particular, and also additional staffing costs, mainly agency to address demand pressures arising from the pandemic. The adverse variance within Education, Skills

and Early Years was £0.345m; the main drivers being the cost of SEND provision (including out of borough placements) and staffing costs. Preventative services recorded an underspend of £0.070m.

- Communities and Reform Portfolio - seen an adverse variance of £0.367m, an improvement of £1.663m compared to the forecast adverse variance of £2.030m estimated at month 9. The overall adverse variance for Communities and Reform Portfolio was due to a number of COVID-19 pressures, the reduction of income for the Music Service, Outdoor Education, Sports Development, and pressures within the Leisure Services contract. These pressures were partially mitigated by the reduction in service provision by the Heritage, Libraries and Arts and Public Health teams for expenditure such as delivery of services in primary care and also by vacancies across the Portfolio.
- Commissioning Portfolio - had an adverse variance of £0.492m as a result of the use of external contractors by the Procurement Service and the Governments guidance in response to COVID-19 which encouraged immediate payment terms for all contracted services removed any benefit from an early payment scheme. Government guidance was also given on limiting debt recovery activities during the first half of 2020/21. The pressures were partially offset by vacancies within the Finance Division and reductions in non-pay costs.
- Chief Executive portfolio - seen favourable outturn position of £0.256m represents a £0.030m reduction compared with month 9 of £0.286m. The Directorate was impacted by COVID-19 in respect of income generation for the Registrars Service, land charges and the recovery of court costs in 2020/21. However, these pressures were mitigated by a reduction in costs such as the postponement of the local election in May 2020, fewer civic functions, reduced costs for the Coroners Services and vacancies within the Legal Services team.
- Capital, Treasury and Technical Accounting Portfolio - had a deficit of £15.244m due the impact of the pandemic on anticipated interest, dividend income and capital financing transactions including a shortfall in capital receipts to fund the £3.750m of expenditure to be financed using the flexibility allowed by the Government.
- Corporate and Democratic Core Portfolio and the Parish Precepts and Grants Portfolio both reported no variance to their 2020/21 budgets.

The Committee was informed of the following:

- The level of Government grants received in relation to the COVID-19 Pandemic;

- Schools balances at 31 March 2021 of £9.306m;
- The Dedicated Schools Grant (DSG) deficit was £3.560m which is now held in an unusable reserve rather than being netted off the Schools balances (as presented in the accounts in previous years);
- The final Housing Revenue Account (HRA) balance was £21.370m;
- The balance on the Collection Fund was a deficit of £27.213m;
- The revenue account earmarked reserves at £113.512m, other earmarked reserves at £29.452m (Revenue Grant Reserves of £20.145m plus School Balances as above) and an increase in the General Fund balance of £2.153m to £17.263m, reflective of the revenue outturn position;
- Expenditure on the Council's Capital Programme for 2020/21 was £73.227m which is an increase on the month 9 forecast expenditure of £71.012m. The increase in expenditure required funding allocated to future years to be re-profiled to fully finance the Capital Programme in 2020/21;
- The significant items in each of the primary financial statements;
- The preparation of Group Accounts incorporating the Councils two wholly owned companies – the Unity Partnership Ltd. and MioCare Community Interest Company; and
- The Annual Governance Statement.

The Committee was advised that as of publication of the report almost every matter that could be addressed by the Council had been concluded. The issue in relation to the audit of the GMPF was beyond the control or influence of the Council and it remained with the External Auditor to finalise the position. Until this was fully concluded, the Council's accounts could not be approved. It was anticipated that the audit would be completed before the next Audit Committee on 9 September 2021.

RESOLVED that the report be noted.

9

REVENUE MONITOR AND CAPITAL INVESTMENT PROGRAMME 2021/22 QUARTER 1 - JUNE 2021

The Committee gave consideration to a report which provided the Revenue Monitor and Capital Investment Programme 2021/22 Quarter 1 – June 2021.

The Committee was informed that the current forecast outturn position for 2021/22 was a projected deficit variance of £0.585m after allowing for approved and pending transfers to and from reserves. The position included 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 included forecasts of both income shortfalls and additional expenditure that have impacted on the Authority's budgets. The pandemic

was 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 was being taken and would continue for the remainder of the financial year to address variances and take mitigating action as detailed in the report.

The Committee was advised that the overall corporate position was 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 was available to mitigate against the £11.652m of costs identified as relating to the pandemic, where possible. However, management action has been initiated across all service areas to review and challenge planned expenditure and to maximise income.

The report outlined 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 2020 was £4.791m (5.44% of the forecast outturn). Without doubt the forecast position would continue to change throughout the year with additional re-profiling into future years.

RESOLVED that the report be noted.

10

UPDATE ON FINANCIAL ADMINISTRATION IN LOCAL AUTHORITIES

The Committee gave consideration to a report which provided an update on Financial Administration in Local Authorities.

The report advised the Committee of the recent Section 114 notices and associated reports issued by the Chief Finance Officers (Section 151 Officers) at two Local Authorities (the London Borough of Croydon and Slough Borough Council) and provided information on the recent capitalisation directions issued by the Ministry of Housing, Communities and Local Government (MHCLG) to support the financial position of several Local Authorities during 2020/21 and 2021/22.

The Committee were informed that during 2020, the Section 151 Officer at the London Borough of Croydon issued two Section 114 notices which limited the spending of the Council to statutory and contractual items. To balance its revenue budget for the financial year 2020/21, the Council relied on a substantial contribution in respect of anticipated loan interest from its wholly owned Housing Company Brick by Brick. However, the company did not achieve the level of construction it anticipated as per its business plan and was therefore unable to repay the loans and the interest due to the Council in the financial year 2020/21. The MHCLG Select Committee identified that the system for oversight of the partnerships within the Borough was poor and

those Members who had a governance role (both Scrutiny and Audit) to hold the Executive to account, did not discharge their duty effectively. Reports presented to Scrutiny by Brick by Brick had key information that was not made available which should have been made available at the insistence of the Scrutiny Committee.

The Committee was also informed that on the 2 July 2021 the Interim Section 151 Officer at Slough Borough Council issued a Section 114 notice for Slough Borough Council. This followed the External Auditor only considering signing off the accounts for the financial year 2018/19 if an adjustment was processed which reduced the agreed level of general balances to £550k. The adjustment related to the Council overstating the income it expected to receive from a joint venture set up for commercial purposes. Such an adjustment impacted on the 2019/20 and 2020/21 accounts which were currently undergoing audit and could be subject to an adjustment which further reduces the level of general balances. The interim Section 151 Officer was of the view that the Council was effectively bankrupt and issued the Section 114 notice estimating that the level of general balances as of 31 March 2021 would be -£56m (a deficit of £56m). Effectively the interim Section 151 officer had identified that the Council did not set balanced budgets for the financial years 2018/19, 2019/20, 2020/21 and 2021/22.

In addition to the two Authorities who have had Section 114 Notices issued by their Section 151 Officer, the MHCLG agreed to capitalisation directions at the Authorities as followed:

- Peterborough City Council
- Eastbourne Borough Council
- The London Borough of Bexley
- Luton Borough Council
- Nottingham City Council
- Wirral Metropolitan Borough Council
- Redcar and Cleveland Unitary Authority
- Copeland District Council

The Committee was informed that whilst each Authority had their own unique circumstances, common themes emerged which included a failure to set aside sufficient MRP to cover the cost of borrowing undertaken, setting a budget with a very low level of general balances and poor partnership governance of wholly owned companies. It was suggested to the Committee that liaising with the Audit Committee would ensure adequate oversight of those areas within the Council.

RESOLVED that the report be noted.

PERFORMANCE OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME 2021/22

The Committee received a report inviting consideration of the Committee's Work Programme for 2021/22 as at August 2021.

RESOLVED that the Performance Overview and Scrutiny Work Programme 2021/22 be noted.



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12

KEY DECISION DOCUMENT

The Committee gave consideration to the latest Key Decision Document that had been published on the 20th August 2021.

RESOLVED that the Key Decision Document be noted.

The meeting started at 6.00 pm and ended at 7.30 pm