
Report to the Policy Overview and Scrutiny Committee

Revenue Budget 2023/24 and 2024/25 and Medium Term Financial Strategy 2023/24 to 2027/28

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Reason for Decision

To provide the Policy Overview and Scrutiny Committee with the budget reduction requirement and the Administration's budget proposals for 2023/24 and a forecast of the 2024/25 position having regard to the Provisional Local Government Finance Settlement (PLGFS) published on 19 December 2022. The report also presents the financial forecasts for the remainder of the Medium Term Financial Strategy (MTFS) period 2025/26, 2026/27 and 2027/28.

Executive Summary

This report presents the Council's Revenue Budget for 2023/24 together with the budget reduction requirement and the Administration's budget proposals for 2023/24 including Council Tax intentions. It also provides a forecast of the 2024/25 position and the financial forecasts for the remainder of the MTFS period, 2025/26, 2026/27 and 2027/28.

This report updates the financial position presented to Cabinet on 12 December 2022 using information from the PLGFS published on 19 December 2022 and the month 8 financial monitoring forecasts.

Section 1 presents an introduction to the report and explains the report format.

Section 2 sets out key Council Policies and Strategies including the Co-operative Council Values, Corporate Plan, Constitution and Rules of Procedure, as the framework within which the Budget has been prepared.

Section 3 presents Local Government Finance developments which have an impact on 2023/24 and future years budgets. It also highlights the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Resilience Index, the CIPFA Financial Management Code and a commentary on financial resilience, all of which are of importance when considering the Council's financial standing in the context of budget setting for 2023/24 and future years.

Section 4 presents the Local Government Finance Policy Statement 2023/24 and 2024/25 which set out the Government's intentions to assist financial planning for Councils. It confirmed the PLGFS for both 2023/24 and 2024/25 would be single year Settlements and that reforms to redistribute funds such as the Review of Relative Needs and Resources (Fair Funding Review) would not progress until 2025/26 at the earliest.

Section 5 details the impact of the 2023/24 PLGFS which was the fifth consecutive one-year Settlement. This included key information in relation to overall funding levels, Council Tax referendum limits and grants for 2023/24.

Section 6 presents the 2022/23 revised budget and year end forecasts. The starting point for preparing the 2023/24 revenue budget estimates is the underlying base budget of £250.517m. The 2022/23 revenue budget forecast outturn position highlights a current unfavourable projected variance for 2022/23 of £2.233m but the commentary advises that this may be improved by the continuation of management action to control expenditure in year. The month 6 monitoring position was used to inform key budget pressures in the budget update report presented to Cabinet on 12 December 2022. The month 8 position highlights some further issues that require inclusion in the 2023/24 budget.

Sections 7 to 9 set out how the expenditure pressures that contribute to the budget gap have been determined since the update to Cabinet on 12 December 2022.

- Section 7 summarises the revisions to the estimates since the budget gap of £27.975m for 2023/24 and £14.575m for 2024/25 was presented to Cabinet on 12 December 2022. It highlights that a direct comparison would show a budget gap of £20.377m for 2023/24 and £9.512m for 2024/25. These budget gaps represent the position after the use of some reserves. In order to allow budget reductions and the total use of reserves to be the final element in balancing the budget, the forecast net gap/budget reduction requirement before the use of reserves of £29.276m is being used as the starting position from which the 2023/24 budget will be balanced, with £13.445m used as the starting position for the final changes to the 2024/25 budget (as illustrated at Table 7).
- Section 8 presents a range of expenditure pressures that contribute to the budget gap. In total they contribute £45.913m to the 2023/24 position, a change of only £1.193m compared to the position reported in December 2022. The expenditure pressures for 2024/25 are projected at £14.697m. The main pressures arise from

pay, energy, contractual and service inflation and demand for both Adults and Children's Social Care service provision.

- Section 9 sets out the forecast impact of the payment of levies and contributions to the Greater Manchester Combined Authority (GMCA) and a levy to the Environment Agency (EA). It shows an increase in expenditure of £1.925m in the 2023/24 budget forecast compared to the December 2022 position but advises that £1.044m of reserve resources refunded to the Council by GMCA in 2022/23 can be used to offset some of this increase. The final levies position will be confirmed during February 2023.

Sections 10 and 11 present the impact of the PLGFS announced on 19 December 2022 and income related adjustments to the estimates. In this regard:

- Section 10 provides a commentary on the unringfenced grants announced by or derived from the PLGFS. A summary of all grants notified or anticipated as included in the PLGFS totalled £107.942m which is £3.009m higher than the forecasts previously presented.
- Section 11 outlines the main ringfenced grants that must be used in accordance with specific guidance but nonetheless help the Council deliver its services. Two specific Adult Social Care grants are detailed in this section and this funding has been used as a contribution to support the Council's 2023/24 and 2024/25 budgets. The funding available from these grants in 2023/24 has increased by £0.748m compared to the December 2022 position.

Section 12 sets out how the Locally Generated Income from both Business Rates and Council Tax will support the Council budget. The PLGFS confirmed referendum limits for a general purpose Council Tax increase of up to 3% each year from April 2023 without the need to hold a referendum. In addition the threshold for Adult Social Care Precept (ASCP) increases to a maximum of 2% each year from April 2023. There remains a requirement to evidence that the funds generated from this precept are used for Adult Social Care expenditure.

- Paragraphs 12.3 to 12.13 set out the income to support the budget from Retained Business Rates and how this helps to reduce the level of budget reductions required. In total, Retained Business Rates income has increased from £48.429m to £52.679m. There is a general uplift of £0.070m compared to the December 2022 forecast but most of the increase (£4.180m) relates to confirmation in the PLGFS that the piloting of 100% Business Rates Retention will continue into 2023/24. The Council can take the benefit of a pilot gain of £3.135m but the GMCA is entitled to part of this increase in Business Rates Income of £1.405m. The Business Rates income figure could be revised as it is only finalised when the Council submits its NNDR1 Government return by 31 January 2023. The Business Rates figure must therefore be considered provisional at this time.
- Paragraphs 12.17 to 12.46 present the Council Tax position for 2023/24. It advises that:
 - The Council Tax Tax Base is 58,500 which is no change from the position assumed in December 2022.

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- Council Tax policy has changed (subject to confirmation at Budget Council on 1 March 2023). Rather than only a 1.99% general purposes Council Tax increase, there is a proposal to introduce a 2% increase for the Adult Social Care Precept.
 - An increase of 3.99% would not require a Council Tax referendum as it would be within the referendum criteria issued by the Government in the PLGFS.
 - The Council proposes to remove the Council Tax Empty Property Discount and increasing the Empty Property Premium.
 - Total Council Tax to be generated for use by the Council based on the Tax Base and the 3.99% increase is £108.995m in 2023/24.
 - No adjustment has been made to Council Tax levels for precepting Authorities or Parish Councils. Respective Council Tax levels for 2023/24 will be confirmed during January or February 2023.

Section 13 outlines the impact of Collection Fund (the ringfenced account within which Council Tax and Business Rates are managed). The 2022/23 Collection Fund forecast outturn projection as outlined in the month 8 financial monitoring report produces a net surplus of £4.179m of which £4.130m is Oldham Council's share and will be available to support the 2023/24 revenue budget.

Section 14 outlines the review of previously approved 2023/24 and 2024/25 Budget Reductions agreed in the 2021/22 and 2022/23 Revenue Budget Reports and advises that there has been some reprofiling of anticipated benefits.

Section 15 outlines the proposal to use capital receipts flexibly to finance expenditure leading to transformation in the sum of £2.600m for 2023/24 and a further £2.600m in 2024/25.

Section 16 details the revision to estimates for the financial years 2023/24 to 2024/25 compared to the position previously reported to Cabinet on the 12 December 2022. This presents a revised budget reduction requirement (before the use of reserves) of £29.276m for 2023/24 and £13.445m for 2024/25.

Having regard to the proposed increase in Council Tax, Section 17 presents the Administration's approach to balancing the budget for 2023/24 via the budget reduction process. There are a total of 45 proposals presented in accordance with Political Portfolios. These are expected to deliver savings totalling £16.313m and have an FTE impact of 7 in 2023/24. The proposals also have an impact on 2024/25 of £7.575m (and a further £1.135m in 2025/26). All the proposals are presented in summary at **Appendix 5** and in detail at **Appendix 6**.

Assuming approval of the 2023/24 budget reduction proposals and taking into account the impact of one-off budget reduction proposals, the budget reduction requirement for 2023/24 reduces to £12.963m and 2024/25 to £10.670m.

Section 18 advises how the budget for 2023/24 is balanced and the final position for 2024/25 as follows:

- The first step in balancing 2023/24 is however, to increase the budget gap by introducing a contribution to reserves in 2023/24 of £1.045m, payable to the GMCA in relation to 100% Business Rates Pilot Gain.

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- This increases the budget gap to £14.008m which is then balanced by the use of:
 - £6.000m general reserves (approved as part of the 2022/23 budget);
 - £2.900m of earmarked reserves as approved at Cabinet on 12 December 2022 to pump prime initiatives in Children’s Social Care;
 - £1.044m of reserves created from resource returned by the GMCA in 2022/23; and
 - Additional general reserves of £4.064m to balance the 2023/24 budget.

 - After all the budget adjustments and impact of the use of reserves to balance 2023/24, there remains a budget gap still to be addressed of £10.801m for 2024/25.

Section 19 presents the expected level of reserves at the end of 2022/23 at £78.555m and how they support the 2023/24 budget including the balancing budget reserve for 2023/24.

Section 20 presents the Statement of Robustness, a requirement under Section 25 of the Local Government Finance Act 2003 which is the assurance by the Director of Finance on the robustness of the estimates used for the purposes of the revenue budget calculations and the adequacy of proposed reserves and balances. Balances are recommended at £20.012m. The Director of Finance is able to provide Members with the necessary assurances. A more detailed commentary is provided at Appendix 9.

Section 21 sets out the proposed fees and charges for the financial year 2023/24.

Section 22 and 23 sets out the Medium Term Financial Strategy covering the financial years 2024/25 to 2027/28 including the plans for the transformation programme that will deliver the savings required to balance the budgets in future years.

Section 24 sets out the Council’s Pay Policy Statement in accordance with the requirements of Section 38 to 43 of the Localism Act 2011, which requires full Council approval.

Sections 25 to the end of the report include options to consider, consultation comments and Legal and Procurement comments in accordance with standard practice.

Given the importance of delivering budget reductions and embedding the programme of transformational change, during 2023/24, there will be a regular review of the progress of existing change programmes against the delivery milestones and financial targets. It will also ensure that there is continuous emphasis on the delivery of change and the achievement of the budget reductions required in line with the three year strategy.

Presentation of this report to the Policy Overview and Scrutiny Committee for consultation is a key stage in the budget process. Once the Committee has had the opportunity to scrutinise this budget report and the other reports on the agenda that form a core part of the Council’s strategic planning framework, any recommendations will be included in the reports that are presented to Cabinet and Council.

Recommendations

That the Policy Overview and Scrutiny Committee considers and comments upon as appropriate:

- 1 The policy landscape and context in which the Council is setting its revenue budget for 2023/24;
- 2 The financial forecasts for 2023/24 and 2024/25 having regard to the Provisional Local Government Finance Settlement and associated funding announcements;
- 3 Revisions to Budget Reductions approved in 2021/22 and 2022/23 resulting in a value of £3.655m for 2023/24 and £5.700m for 2024/25;
- 4 The Flexible Use of Capital Receipts at a value of £2.600m for 2023/24 and 2024/25;
- 5 A proposed overall 2023/24 Council Tax increase of 3.99% for Oldham Council services (1.99% for general purposes and 2% Adult Social Care Precept) resulting in the charges set out at Table 15 of the report;
- 6 The 2023/24 Budget Reduction proposals at a value of £16.313m with a further £7.575m for 2024/25 and £1.135m for 2025/26;
- 7 The proposed use of £14.008m of reserves to balance the 2023/24 budget and a transfer to reserves of £1.045m for Retained Business Rates;
- 8 The proposal to draw on the Collection Fund for major preceptors of £128.374m for Borough Wide services and £108.995m for Council services (subject to confirmation);
- 9 The proposed net revenue expenditure budget for 2023/24 for the Council set at £287.027m;
- 10 The proposed fees and charges as set out in the schedule included at Appendix 10;
- 11 The proposed revisions to the Council Tax Empty Property Discount (paragraph 12.37) and Council Tax Empty Property Premium (paragraph 12.39);
- 12 The level of balances supporting the 2023/24 budget of £20.012m underpinned by the agreed policy on Earmarked Reserves; and
- 13 The draft pay policy statement included at Appendix 12;
- 14 The delegation to the Cabinet Member for Finance and Low Carbon and the Director of Finance to make a final decision on the feasibility of a pensions pre-payment if it represents value for money to the Council (Section 8.2-o).

Revenue Budget 2023/24 and 2024/25 and Medium Term Financial Strategy 2023/24 to 2027/28

1 Background

Introduction

- 1.1 Each year, the Council identifies what it needs to spend on Council services for the following year as part of the budget setting process. This process also involves the identification of provisional spending plans for future financial years. This ensures the Council's future spending plans are balanced against the funding forecasts for Government Grants, Council Tax and Business Rates revenues. These plans form part of the Council's Medium Term Financial Strategy (MTFS) which sets out a financial forecast for the period 2023/24 to 2027/28. The first part of this report focuses on the first two years of the MTFS period and at section 22 sets out a forecast for the final three years, 2025/26 to 2027/28.
- 1.2 Members will recall that when the 2022/23 budget was agreed it included an estimate of the likely budget reduction requirement for 2023/24 at a net £16.711m and at a net £8.117m for 2024/25. However, as would be expected, these estimates have been subject to a constant review throughout 2022/23, and an update report was presented to and approved by Cabinet on 12 December 2022. This changed the budget reduction requirement to £27.975m for 2023/24 and £14.575m for 2024/25. This report therefore sets out the current budget reduction requirement and how it will be addressed for 2023/24 using the 12 December 2022 position as a starting point.
- 1.3 The updated estimates were prepared having regard to the prevailing economic conditions, the Council's 2022/23 financial performance up to month 6 and the information contained in the Autumn Statement (AS22) issued by Government on 17 November 2022. The AS22 set out indicative funding intentions for 2023/24 and 2024/25 and was more positive than had been anticipated. However, given the lack of detail, Members were advised that the forecasts would be subject to change once the Provisional Local Government Finance Settlement (PLGFS) was received.
- 1.4 Prior to the issue of the PLGFS, on 12 December 2022, the Government issued the Local Government Finance Policy Statement 2023/24 to 2024/25 (Policy Statement) setting out Government intentions for the next 2 years as the Government recognised the importance of providing additional clarity to Councils for budget setting purposes and financial planning for the future. The PLGFS and associated funding announcements were received on 19 December 2022 and the forecasts for 2023/24 have been updated using actual funding information (where available) and the 2024/25 estimates have been revised using information in the PLGFS and the Policy Statement. These revised estimates are presented in this report.
- 1.5 In addition to the Government policy and grant information, the issues that have impacted on the Council from a local perspective during 2022/23 have also influenced the forecasts for 2023/24. Whilst COVID-19 is still prevalent, it is no longer having the same impact on most Council activities, the exceptions being Adult Social Care and Children's Social Care where demand reflects the legacy of the pandemic. All COVID-19 Government grant funding ceased at the end of 2021/22; therefore, the Council is having to address on-going pressures from its own resources. The challenge that this has created, as explained later, is impacting on the financial year 2022/23 and consequently, the budget estimates for 2023/24.

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- 1.6 However, in addition to the pressures that were anticipated when the initial estimates for 2023/24 and future years were prepared together with increased cost of the provision of Adults and Children's Social Care, the significant international and national turbulence has presented some unexpected challenges for the Council, every other Local Authority and the country as a whole. The challenges include:
- a) the legacy of COVID-19 which has disrupted international trade, particularly as China remained in partial lockdown until very recently and this has had the impact of reducing the supply of goods and materials;
 - b) the impact of Brexit which has affected trade arrangements with countries which remain within the EU;
 - c) the war between Russia and Ukraine which has impacted on energy and the general supply of goods and materials including grain;
 - d) the inflationary pressures impacting on energy and general commodity prices. This has had a knock on effect to the general cost of living and has sparked wage inflation;
 - e) changes within Central Government, resulting in significant increases in interest rates and the cost of borrowing;
 - f) the response from Central Government to the recent economic turbulence; and
 - g) revisions to Government policy and expenditure plans.
- 1.7 When the initial 2023/24 MTFS was prepared, the impact of the issues presented at paragraph 1.6 could not have been envisaged and all have an on-going impact on the financial position which can only be estimated. As outlined later, the budget for 2023/24 will be supported by the availability of risk reserves that can be introduced if required during the year.
- 1.8 The information in the Policy Statement and the PLGFS together with the current policy landscape and economic context as set out above has enabled the preparation of detailed budget estimates for 2023/24 together with the Administration's proposals for balancing the 2023/24 budget, including Council Tax intentions. An indicative budget for 2024/25 is also presented, highlighting that, should nothing change between now and 2024/25 budget setting, budget reductions of £10.801m will be required.
- 1.9 At the same time as considering the financial challenges facing the Council, it is important to consider the Council's commitment to the co-operative way of working. Based on a set of values and the principle of enabling and motivating everyone to "do their bit", this influences the policy direction of the Council and its response to the financial challenges.
- 1.10 As an organisation, a co-operative approach provides the opportunity to find positive and sustainable solutions to the on-going financial challenges being faced. Oldham has a values driven approach which underpins the way it does business. The Council believes in the importance of fairness and responsibility. In practice, that means maximising the positive social, economic and environmental impact that can be achieved through everything we do as set out in the Council's values.

Format of the Report

- 1.11 The report is presented in sections in order to highlight the key issues impacting on the budget, the size of the financial challenge facing the Council for 2023/24 and 2024/25, the way in which the challenge has been determined and then the approach to balancing the 2023/24 budget. It also highlights the balance still to be addressed for 2024/25. The final element of the report sets out the financial forecasts for the three year period 2025/26 to 2027/28, the final three years of a five year financial strategy. The sections are presented as follows.

Sections 2 to 6 provide context for budget setting:

- Section 2 sets out key Council Policies and Strategies including the Constitution and Rules of Procedure, as the framework within which the Budget has been prepared.
- Section 3 presents Local Government Finance developments specifically within the Local Government finance arena which impact on the budget setting arrangements for 2023/24 and future financial years. It also highlights the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Resilience Index, the CIPFA Financial Management Code and provides a commentary on financial resilience, which is of importance when considering the Council's financial standing in the context of budget setting.
- Sections 4 and 5 present the key points of the Policy Statement issued on 12 December 2022 and the PLGFS issued on 19 December 2022.
- Section 6 outlines the month 8 financial monitoring position for both the revenue budget (a forecast £2.233m adverse variance) and the capital programme. This highlights the on-going financial issues which influence or require addressing in 2023/24.

Sections 7 to 16 set out how the budget gap has been determined:

- Section 7 summarises the revisions to the estimates since the budget gap of £27.975m for 2023/24 and £14.575m for 2024/25 was presented to Cabinet on 12 December 2022. It highlights that a direct comparison would show a budget gap of £20.377m for 2023/24 and £9.512m for 2024/25. These budget gaps represent the position after the use of some reserves. In order to allow budget reductions and the total use of reserves to be the final elements in balancing the budget, the forecast net gap/budget reduction requirement before the use of reserves of £29.276m would be used as the starting position from which the 2023/24 budget would be balanced, with £13.445m used as the starting position for the final changes to the 2024/25 budget.
- Section 8 presents expenditure adjustments to the budget, detailing the changes that have been made since the 12 December 2022 report.
- Section 9 sets out the impact of the projected change to the payment of levies to the Greater Manchester Combined Authority (GMCA) and the Environment Agency. These are both subject to updating when final levy notifications are received in February 2023.
- Section 10 provides detail of the PLGFS unringfenced funding allocations made available to the Council by the Government.
- Section 11 outlines the main ringfenced grants that must be used in accordance with specific guidance but nonetheless help the Council deliver its services. Two grants received specifically for Adult Social Care, have been used to support the Adult Social Care budget position.
- Section 12 sets out Retained Business Rates income (subject to confirmation by 31 January 2023). It also presents the Council Tax referendum limits and proposed Council Tax Policy for 2023/24. The Council is proposing to increase Council Tax

for 2023/24 by 3.99% compared to 2022/23 levels (subject to final confirmation at Budget Council). Budget estimates for 2024/25 also assume an increase of 3.99%. Section 12 also advises that the Council is removing the Empty Property Discount and increasing the Empty Property Premium.

- Section 13 outlines the impact of the Collection Fund (the ringfenced account within which Council Tax and Business Rates are managed).
- Section 14 details the review of previously approved budget reductions and the impact of changes that have had to be made on the 2023/24 and 2024/25 budget position.
- Section 15 outlines the Government's confirmation of the ability to use capital receipts to support transformation and how the Council intends to use this flexibility.
- Section 16 then summarises the impact of all the above and the revised Budget Reduction Requirement to be addressed.

Sections 17 to 19 present how the budget is balanced and the level of reserves available to the Council:

- Section 17 presents the Administration's 2023/24 and 2024/25 budget proposals to address the budget reduction requirement totalling £16.313m in 2023/24 and £7.575m in 2024/25. There is also an impact of £1.135m in 2025/26.
- Section 18 shows how reserves will be used to balance the 2023/24 budget at a value of £14.008m (a net £12.963m after a movement to reserves).
- Section 19 presents the expected level of reserves at the end of 2023/24 and how they support the 2023/24 budget and financial strategy.

Section 20 presents a summary of the Statement of Robustness a requirement under Section 25 of the Local Government Finance Act 2003 which is the assurance by the Director of Finance on the robustness of the estimates used for the purposes of the revenue budget calculations and the adequacy of proposed reserves. The detailed Statement is attached at Appendix 9.

Section 21 sets out the proposed fees and charges for the financial year 2023/24. The detailed fees and charges schedule is presented at Appendix 10.

Sections 22 and 23 present the Medium Term Financial Strategy covering the financial years 2024/25 to 2027/28 including the plans for the transformation programme that will deliver the savings required to balance the budgets in future years.

Section 24 provides a brief summary of the Pay Policy Statement attached at Appendix 12.

Sections 25 to the end of the report include options to consider, consultation comments and Legal and Procurement comments in accordance with standard practice.

2 Oldham Council Policies and Strategies

- 2.1 Framing budget setting for 2023/24 and future years are the Co-operative Council ethos, and the 2022/23 to 2027/28 Corporate Plan and Oldham Plan which were updated and approved during 2022. The following paragraphs explain the underlying drivers of the Council through the Co-operative ethos and Corporate Plan. However, the delivery of the objectives the Council has set need to be considered in the context of a requirement to reduce operating costs using a programme of transformation and change whilst working within the financial framework of the Constitution and the Rules of Procedure.

Co-operative Council in a Co-operative Borough

- 2.2 Oldham Council became a Co-operative Council in 2011 and therefore the Council is committed to developing a Co-operative future; one where citizens, partners and staff work together to improve the borough. The Council encourages all members of the community to play an active part in building a co-operative borough. This means everyone doing their bit.
- 2.3 Oldham's values driven approach underpins the way the Council does business. In practice, this means maximising the positive social, economic and environmental impact that can be achieved. From maximising social value achieved through procurement practices, to paying all its staff the Living Wage Foundation National Living Wage and providing funding for the providers of Adult Social Care to do the same, the Council is using its influence as a commissioner, service provider, facilitator and employer to embed co-operative values across Oldham. However, the Council is not doing this alone. Oldham has a strong Strategic Partnership structure and plan that has driven the reform, integration and shared economic agenda both in Oldham and within Greater Manchester.
- 2.4 Following the ethos of a Co-operative Council, the Council continues to make fundamental changes in how it works with residents, businesses and partners.

The Council's Corporate Plan

- 2.5 Oldham Council's previous Corporate Plan ran from 2017 to 2020, confirming the Council's values of Fairness, Openness, Responsibility, Working Together, Accountability, Respect and Democracy (FORWARD) together with expected behaviours, and the co-operative approach to working with residents. This plan expired at the start of the COVID-19 pandemic so as an interim measure a COVID-19 Recovery Strategy was produced as a roadmap to supporting residents in response to the pandemic. This COVID-19 Recovery Strategy has now been replaced with a new Corporate Plan which was approved at the Council meeting of 7 September 2022.
- 2.6 Alongside the development of the Corporate Plan, the Council worked with partners to develop the new Oldham Partnership's vision document, Our Future Oldham. This was endorsed by the Council alongside the Corporate Plan at the Council meeting of 7 September 2022 and has subsequently been approved by members of the Oldham Partnership.
- 2.7 The Council's Corporate Plan and Our Future Oldham were developed in parallel to ensure that the Council's priorities over the five year period 2022/23 to 2026/27 to align as far as possible with our residents' broader vision for the future. This ensures the most effective and efficient use of resources to support the improvement of our residents lives.
- 2.8 Oldham Council's Corporate Plan describes how the Council will maximise the impact of efforts and resources to improve the lives of residents in the borough. The Plan focuses specifically on the impact of the Council's work to support children and young people as

this has been identified as the Council's number one priority. As will be seen later in the report, the investment in Children's Social Care is an example of the Council's commitment to children and young people. The Plan acknowledges the present and future challenges created by the cost of living crisis, and describes how services across the Council will be improved for residents. It sets out five policy priorities:

- Healthy, safe and well supported residents;
- A great start and skills for life;
- Better jobs and dynamic businesses;
- Quality homes for everyone; and
- A clean and green future.

2.9 It also highlights the Council's four operational priorities as:

- Residents first;
- Place based working;
- Digital; and
- Working with communities to reduce need.

2.10 Our Future Oldham outlines the vision for the future of the borough shared by the Oldham Partnership also informed by the views and priorities of residents. The document establishes a set of aims – the core elements of a good life in Oldham, that every resident should expect. These range from basics like a good education and a home that meets needs to contributing to creating a richer life and place, such as opportunities to meet/work with neighbours/community members.

2.11 Our Future Oldham also establishes the central governance model for the Oldham Partnership, including the functioning of the Partnership itself and its key delivery boards: the Economic Development Board, the Health and Wellbeing Board and the Communities Board.

2.12 The 2023/24 budget process has been framed around the aims of the Corporate Plan and Oldham Plan with the preparation of the 2023/24 revenue budget (including budget reduction proposals), the MTFS and the capital strategy having regard to the five policy and four operational priority areas and how these can be delivered.

Transformation Programme

2.13 Council services continue to evolve through innovation, collaboration with strategic partners and re-design. To accelerate this process, the Council and key partners have embarked on an ambitious Transformation Programme which has been refreshed in 2022. This updated programme:

- identified, scoped and agreed the change initiatives required to ensure the Council and its partners can deliver the strategic ambitions they have for the borough and its residents;
- has begun to drive the implementation of those changes; and
- laid the foundations for the delivery of a substantial contribution to savings targets for 2024/25 and the period of the MTFS which is extended to 2027/28.

2.14 This Programme is helping to ensure that all such services, whether delivered in-house or with partners, strive for excellence and provide value for public money, getting the maximum impact for residents of Oldham. In responding to the financial challenge, the Transformation Programme is assisting the Council and its partners in adapting to local demands, national, regional and local political priorities as well as technological developments. Many of the

budget reductions for 2023/24 and future years have been focused through the lens of transformation and their delivery will be project managed and reported under the guidance of the Transformation Team.

- 2.15 Sections 22 and 23 outline the Council's MTFS and sets out the key themes within the Transformation Programme and how these will contribute to delivering the budget reductions required to balance the budgets for 2024/25 and future years.

Constitution and Rules of Procedure

- 2.16 Oldham Council has an agreed Constitution which sets out how the Council operates, how decisions are made and the procedures that ensure these decisions are efficient, transparent and accountable to local people. Most of the procedures are required by statute. Detailed procedures and Codes of Practice are provided in separate rules and protocols which accompany the Constitution and Articles contained therein. The following rules of procedure are particularly relevant in the context of determining the Council's 2023/24 Revenue Budget.

Budget and Policy Framework Procedure Rules

- 2.17 This sets out the process for the adoption and implementation of the Council's Budget and Policy Framework. It specifies the budget estimates that must be prepared as part of that framework, the process for developing the framework and the associated decision-making process. The Revenue Budget report, if approved by Council, forms a key element of the Council's Budget and Policy Framework.

Financial Procedure Rules

- 2.18 These rules (which are aligned to the Budget and Policy Framework Procedure Rules) set out detailed procedures regarding financial administration covering, for example, the preparation and management of budgets, financial systems, internal audit, insurance, banking arrangements, payments, income and taxation. These rules were last refreshed at the 13 July 2022 Council meeting (together with the Contract Procedure Rules) and underpin the Council's statutory duty to make arrangements for the proper administration of its financial affairs.

3 Local Government Finance Developments and Financial Resilience

- 3.1 This section of the report highlights important developments specifically within the Local Government finance arena which impact on the budget setting arrangements for 2023/24 and future financial years. Also included is a commentary on the issue of financial resilience which remains topical as Local Authorities continue to deal with the consequences of rising service demand and the on-going impacts of the global pandemic.

Review of Relative Needs and Resources (formally the Fair Funding Review)

- 3.2 The Review of Relative Needs and Resources of the Local Government finance system has been under consideration for several years. The purpose of the review is to examine and update the system for allocating resources among Local Authorities; taking account of relative need and the ability to generate resources locally through taxation. When implemented, this could have a major impact on the distribution of resources between Councils. Included within the 12 December 2022 Policy Statement was confirmation that, whilst the Government is committed to improving the Local Government financial landscape, change will not be implemented until at least 2025/26 as this will mark the start of the new Spending Review period.

Business Rates Reform and Revaluation

- 3.3 The suitability of Business Rates as a method of raising income for Local Government has been questioned for a number of years. This is primarily focused on the in-built inequality whereby retail businesses which conduct most or all of their trade on the high street are paying significantly more tax than businesses which are largely based on-line. Indeed, the Government has been considering changes to the Business Rates system for some time so it is likely to change significantly in the medium term. However, the Government has once again deferred fundamental reform for the immediate future.
- 3.4 Business Rates income is retained for local use at 50% with the other 50% paid to Central Government, with the exception of a small number of Councils, such as in Greater Manchester. Oldham and the other GM Councils are piloting 100% Business Rates retention. The pilot scheme will continue into 2023/24 (as confirmed in the PLGFS and the Council has assumed that it will continue to the end of the current Spending Review period 2024/25).
- 3.5 However, Business Rates revaluation will be implemented from 1 April 2023. This has been assumed to have a net neutral impact on the Council. This will affect the amount of Business Rates paid by the occupiers of commercial premises and therefore the amount collectable by the Council. From 1 April 2023, Business Rates bills in England will be updated to reflect changes in property values since the last revaluation in 2017. A package of targeted support worth £13.6 billion over the next 5 years will support businesses as they transition to their new bills. Local Authorities will be fully compensated for the loss of income as a result of these Business Rates measures and will receive new burdens funding (the detail of which has yet to be announced) for administration and IT costs.

Adult Social Care – Deferring the Introduction of Social Care Reforms

- 3.6 The Government set out its longer term vision for Adult Social Care in three White Papers published in 2021/22. This included a number of reforms, one of which was a cap on how much individuals will pay for their care and another was the move to introducing a Fair Cost of Care. These reforms to Adult Social Care services were expected to be introduced from April 2023. The AS22 announced the deferring of the introduction of the social care cap for at least two years to October 2025 and this was confirmed in the PLGFS. Councils are,

however, still expected to move towards the introduction of the principles of the Fair Cost of Care but without a specific timeline. The Council has prepared its budget estimates having regard to the principles of moving towards the Fair Cost of Care.

- 3.7 AS22 confirmed that funding for the implementation of the reforms will be maintained within the Local Government funding envelope at a value of £1.265bn in 2023/24 (increased at the PLGFS to £1.345bn and £1.953bn in 2024/25 to enable Local Authorities to address current Adult Social Care pressures). This is in addition to the existing Social Care Grant that was already anticipated. For 2023/24 the PLGFS included additional recycled funding of £6.742m for Oldham within the Social Care Support Grant allocation (£0.021m more than had been anticipated in December 2022).
- 3.8 Reform to Adult Social Care clearly impacts on the processes and procedures operated by the Council although the real impact will be when the changes are introduced from 2025/26.

Adult Social Care – New Funding

- 3.9 Announced in AS22 and then confirmed as part of the PLGFS, is additional grant funding of £600m in 2023/24 and £1 billion in 2024/25 to be distributed through the Better Care Fund to enable Local Authorities and the NHS to work together to get people out of hospital in a timely manner and into care settings which will free up hospital beds. This ringfenced grant funding is split 50:50 between the Department of Levelling Up, Housing and Communities (DLUHC) and the Department for Health and Social Care (DHSC) and is in addition to the existing Improved Better Care Fund grant that the Council already receives. Further details of allocations for Oldham can be found at 11.12.
- 3.10 Also announced in AS22 was an additional £400m in 2023/24 and £683m in 2024/25 for Adult Social Care as a ringfenced grant to support capacity and hospital discharge. The impact for Oldham in 2023/24 and 2024/25 is detailed at 11.13.

The Chartered Institute of Public Finance and Accountancy (CIPFA) - Financial Resilience Index

- 3.11 Members will recall that during 2019/20, the Chartered Institute of Public Finance and Accountancy (CIPFA) announced its intention to publish its Financial Resilience Index. This was in response to the challenges being experienced by a number of Local Authorities with regard to financial sustainability, and was intended to be an early warning indicator to prompt discussion and action. The level of reserves and balances are a key element in the CIPFA Financial Resilience Index. A third index was published on 21 December 2022.
- 3.12 The Oldham position for both previous years 2019/20 and 2020/21 had not highlighted any major areas of concern. However, the December 2022 Index, based upon 2021/22 data, highlighted that the indicator for change in Earmarked Reserves has moved to high risk on the indicator of financial stress scale when compared to the nearest neighbour Local Authority comparator group and since the release of the last Financial Resilience Index. Alongside this, the indicator for Unallocated Reserves has moved from lower risk to medium risk. These increases are due to the use of reserves to support the revenue budget which is set to continue over the medium term. However, a number of indicators decreased in risk i.e. the Children's Social Care Ratio which has moved to low risk and indicates the percentage of spend for this area against the Council's Net Revenue Expenditure is at an acceptable level. The remaining Oldham indicators were not to be considered to be extremely high risk or a cause for immediate concern.
- 3.13 The Index has provided some useful information and confirmed the position that, leading into 2022/23 the Council was financially resilient although it did highlight the reliance on Earmarked Reserves. As outlined at Section 19, although reserves are being used in

2022/23 and to support the budget in 2023/24 and 2024/25, the call on reserves is manageable and means the Council remains financially resilient.

The Chartered Institute of Public Finance and Accountancy Financial Management Code

- 3.14 Also as a result of the financial challenges facing the Local Government sector, CIPFA introduced the Financial Management Code with the objective being “to support good practice in financial management and to assist Local Authorities in demonstrating their financial sustainability”.
- 3.15 The Code is based upon a series of principles which are supported by specific standards of practice which CIPFA consider necessary for a strong foundation. The foundation being the ability to:
- Financially manage the short, medium and long-term finances of a Local Authority
 - Manage financial resilience to meet foreseen demands on services
 - Financially manage unexpected shocks in their financial circumstances
- 3.16 The Financial Management Code builds on the success of the CIPFA Prudential Code which requires Local Authorities to demonstrate the long-term financial sustainability of their capital expenditure. The Code is also consistent in that it is based upon principles rather than prescriptions and each Local Authority must demonstrate that they meet the requirements of this Code.
- 3.17 A report was considered by the Audit Committee on 17 January 2022, which set out that the Council has generally good compliance with the Code. A compliance update report is planned to be presented to the Audit Committee during 2023. This is expected to show continued compliance and that action is being progressed to address the few areas for improvement that were identified at January 2022. In this regard, this can give Members some further assurance about the financial management arrangements within the Council.

Financial Resilience

- 3.18 In order to comply with Section 25 of the Local Government Act 2003, the Authority’s Chief Financial Officer (the Director of Finance) is required to report on the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed reserves. This information enables a longer-term view of the overall financial resilience of the Council to be taken. The Director of Finance must also report on the affordability and prudence of capital investment proposals, the level of general balances to support the budget and an appropriate level of Earmarked Reserves to be maintained by the Council. The Council Policy on Earmarked Reserves is an integral part of demonstrating continued financial resilience supporting the fiscal stability of the Council. A Detailed commentary on the ‘Section 25’ requirements is set out at Section 20 and at Appendix 9.
- 3.19 There have been several reports issued on the subject of the financial resilience of Local Authorities alongside the CIPFA Financial Resilience Index and the implementation of a Financial Management Code. Lack of financial resilience has been highlighted over the past few years by the issuing of a notice under Section 114 of the Local Government Act 1988 (a Section 114 Notice) by the London Borough of Croydon Council, Slough Borough Council and Thurrock Council.

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- 3.20 It is important to note that the Council's External Auditor (Mazars LLP) is required to form a conclusion as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The audit review has been changed and for the 2021/22 opinion requires the demonstration of:
- Financial Sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.
 - Governance - How the Council ensures that it makes informed decisions and properly manages its risks.
 - Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.
- 3.21 As can be seen, financial sustainability and thereby financial resilience is a new and important consideration. The Council has not yet received the final Annual Report on the financial year 2021/22 from the External Auditors. The report will contain a commentary on the audit of the financial statements as well as an opinion on the Council's Value for Money (VFM) arrangements (outlined above). Although it has not yet been received, in relation to each of the three areas examined, an interim update provided to the Audit Committee of 29 November 2022 indicated that it is expected that the findings will be positive and that no risks or significant weaknesses in arrangements will be reported. As such, Members can have further confidence in the current financial position and financial sustainability of the Council.
- 3.22 Financial resilience does depend in part on the Council maintaining an adequate level of reserves and balances. The reserves position is set out in Section 19. The reserves and balances position of the Council is projected to remain satisfactory at the end of 2022/23 and in supporting the 2023/24 and 2024/25 budgets.

4 Local Government Finance Policy Statement 2023/24 and 2024/25

- 4.1 Following on from the announcement of the Autumn Statement on 17 November 2022, the Secretary of State for Levelling Up, Housing and Communities the Rt. Hon Michael Gove MP, published a Policy Statement on 12 December 2022. This Policy Statement aimed to set out the Government's intentions for the Local Government Finance Settlement for the next 2 years to provide Councils with greater certainty on key aspects of funding to inform budget setting processes and help financial planning for the future. It confirmed that the PLGFS would focus on 2023/24 and 2024/25 and that reforms to redistribute funds such as the Business Rates reset and the Review of Relative Needs and Resources (the Fair Funding Review) would not progress over the current Spending Review period.
- 4.2 The Policy Statement included details of Council Tax referendum limits per year from April 2023 which has informed the approach to Council Tax as presented at Section 12. It also set out, indications of the Government's intentions around a number of grant funding sources whilst also confirming that the statutory over-ride for the Dedicated School Grant deficit would be extended for a further three years covering 2023/24 to 2025/26. The information in the Policy Statement has therefore assisted in the preparation of financial estimates for both 2023/24 and 2024/25.
- 4.3 The Policy Statement also indicated potential new funding for the financial year 2024/25 with regards to the delivery of the Extended Producer Responsibility for Packaging Scheme, however, no specific details were provided about this future funding stream.
- 4.4 Whilst the Policy Statement provided some further clarity on what would be included in the Settlement, the specific allocations and impact for Oldham for 2023/24 were not available until the PLGFS was released.

5 Provisional Local Government Finance Settlement

- 5.1 The 2023/24 PLGFS was released on 19 December 2022. It was announced by the Secretary of State for Levelling Up, Housing and Communities the Rt. Hon Michael Gove MP, and set out the Government's formal proposals for the funding of English Local Authorities in 2023/24.
- 5.2 Rather than provide funding spanning a two year timeframe to cover the remaining period of the Spending Review 21 (SR21), this was a one-year settlement. Indeed, it was the fifth consecutive one-year Local Government Finance Settlement. However, it was clear that the emphasis was on providing stability and certainty by providing indications of policy direction for 2024/25 to assist with financial planning, alongside providing extra cash for priority areas, such as social care.
- 5.3 Funding beyond 2024/25 is extremely uncertain. With a General Election to be held no later than January 2025 and therefore a new Spending Review not expected until after this event, the Council's MTFs for 2025/26 to 2027/28 must remain indicative.
- 5.4 Included in the PLGFS was key funding information for Local Authorities in relation to:
- Baseline funding levels for 2023/24
 - Council Tax referendum limits
 - Grants for 2023/24
- 5.5 Councils have the opportunity to submit consultation comments on the Provisional Settlement. The Government has issued specific consultation questions in relation to the Settlement to which a response was requested by 16 January 2023. The Council submitted a response by the deadline.

Settlement Funding Assessment

- 5.6 The Settlement Funding Assessment (SFA) is a Government calculated figure which includes the Revenue Support Grant (RSG) and the Baseline Funding Level (BFL). The BFL comprises Business Rates Top Up Grant plus the Government's assessment of Business Rates that can be collected locally (known as Business Rates Baseline). GM Districts do not currently receive any RSG in lieu of piloting 100% Business Rates retention.
- 5.7 As previously indicated in the AS22, the Baseline Funding Level has been uplifted by inflation with the Business Rates multiplier (3.8%) and, in the case of Oldham, a notional RSG figure uplifted by the Consumer Prices Index (CPI) in 2023/24. This is also confirmed that the RSG element will be uplifted again in 2024/25. CPI for 2023/24 is 10.1% with an estimated CPI rate for 2024/25 at 7.4%.

National Position

- 5.8 The figures presented in the PLGFS and the following table show a national increase in SFA from £16.348bn in 2022/23 to £17.137bn in 2023/24. This represents a 4.83% increase in national funding.

Table 1 – SFA for England

SFA for England	2022/23	2023/24	Change
	£m	£m	£m
Settlement Funding Assessment	16,348	17,137	789
of which:			
Revenue Support Grant	1,672	1,905	233
Baseline Funding Level	14,676	15,232	556

Oldham Council

- 5.9 The Oldham SFA presented in the table below shows an increase of £4.580m from £100.084m in 2022/23 to £104.664m in 2023/24. This represents a 4.58% increase, slightly lower than the increase in overall national funding.

Table 2 – SFA for Oldham

SFA for Oldham	2022/23	2023/24	Change
	£000	£000	£000
Settlement Funding Assessment	100,084	104,664	4,580
of which:			
Revenue Support Grant	0	0	0
Baseline Funding Level	100,084	104,664	4,580

- 5.10 The table below shows the contingent parts included in the Government's SFA figures with only the BFL and RSG elements being uplifted by the multiplier.

Table 3 – SFA Funding Streams

Funding Stream	2022/23	2023/24	Change
	£000	£000	£000
Baseline Funding Level	64,792	67,217	2,425
Revenue Support Grant	17,593	19,478	2,155
Public Health Grant	17,699	17,699	0
Total Settlement Funding Assessment	100,084	104,664	4,580

- 5.11 It can be seen that the increase is entirely due to an inflationary increase for RSG (which has been adjusted to reflect the CPI level of inflation at 10.1%) and the Baseline Funding Level. Public Health Grant allocations have yet to be notified for 2023/24 and, until notified otherwise, it is assumed to roll over at the same value as in 2022/23. As per previous practice, any increase to the Public Health Grant will be passported directly to the service.

Core Spending Power

- 5.12 Published alongside the PLGFS were the Government's estimates of Core Spending Power (CSP). This is the Government's assessment of the expected revenue resources available to Local Authorities in 2023/24 using Office of Budget Responsibility estimates.
- 5.13 The LPGFS included CSP detail by individual Authority and the amounts for Oldham are shown in the table below.

Table 4 – Core Spending Power

Core Spending Power for Oldham	2022/23	2023/24	Change
	£000	£000	£000
Core Spending Power	224,432	246,955	22,523

- 5.14 Whilst the settlement Core Spending Power implies the Council has £22.523m more resources than in 2022/23, the Government's CSP figures include assumptions as to the growth of the Council Tax Tax Base and the maximisation of annual Council Tax increases (i.e. that Council Tax will increase by 4.99% in 2023/24). These Government assumptions do not align fully with the Council's own budget position and estimates.

Council Tax & Referendum Limits

- 5.15 Also included within the PLGFS was information regarding Referendum Limits for Council Tax increases.

Council Tax Increases

- 5.16 Within the PLGFS, the Government confirmed the referendum limit for Metropolitan District Councils like Oldham for general purposes Council Tax would be a maximum increase of 3% per year from April 2023/24. As in previous years, Parish Councils remain excluded from the referendum limits.

Adult Social Care Precept

- 5.17 As a Metropolitan District Council, the Council is able to raise an Adult Social Care (ASC) precept. The threshold for ASC Precept increases to a maximum of 2% per year without the requirement for a referendum. There remains a requirement to evidence that the funds generated from this precept are used for Adult Social Care expenditure.

Mayoral Combined Authorities

- 5.18 The Government proposes not to set Council Tax referendum principles for Mayoral Combined Authorities in 2023/24 for general Mayoral functions. In Greater Manchester, the Mayor also has responsibility for Fire and Rescue Services and the Government has capped the increase for Fire Services precepts at £5 (for a Band D property) before a referendum is required. The Greater Manchester Mayor and the Greater Manchester Combined Authority will consider any increases through its budget setting processes and will advise the ten District Councils in early February 2023.

Police and Crime Commissioners

- 5.19 The Government proposes that Council Tax referendum principles for Police and Crime Commissioners (including the GM Police and Crime Commissioner Precept) are that increases are capped at £15 at Band D. Precept intentions for 2023/24 will be taken by the GM Mayor as Police and Crime Commissioner in accordance with the budget setting timetable.

Detailed Grant Funding Implications of the PLGFS for Oldham

- 5.20 The detailed grant funding notifications arising from the PLGFS are presented at Section 10 of the report and advise that compared to the report presented to Cabinet on 12 December 2022, the Council has received an extra £3.009m of unringfenced grant compared to that which was included in the December 2022 forecasts and also a further sum of £0.748m of ringfenced grant above that which had also been used in the December 2022 budget estimates presented to Cabinet. This has therefore improved the financial position and reduces the budget reduction requirement.

Final Local Government Finance Settlement

- 5.21 It is expected that the Final Local Government Finance Settlement will be received in early February 2023. Only when this is received will final funding notifications be confirmed. There may therefore be further changes to some of the grant notifications received via the PLGFS. Any changes to grant notifications will be included in reports to Cabinet and Council.

6 2022/23 Revised Budget and Year End Forecasts

- 6.1 The Authority's 2022/23 budget in the sum of £260.686m was approved by Council on 2 March 2022. This was after the deployment of £11.879m of corporate and specific reserves and the transfer of £1.710m to reserves for Retained Business Rates, meaning that the underlying base budget is £250.517m. This figure of £250.517m is the starting point for the consideration of the 2023/24 budget as highlighted in the next section of the report.
- 6.2 However, it is important to note that there have been a number of further one off funding allocations and amendments since March 2022. The current net revenue expenditure budget is £271.887m as reported in the Month 8 Financial Monitoring Report, elsewhere on the agenda. This represents an increase of £11.201m.
- 6.3 The month 6 financial position reported to Cabinet in December 2022 influenced the updated financial estimates for 2023/24 reported to Cabinet at the same meeting. The month 6 position highlighted some key trends and pressures that had to be addressed when preparing the budget for 2023/24. The month 8 position has therefore been used to inform the updated position and the key issues are explained in the following paragraphs. The table below details the 2022/23 month 8 year-end forecast position against budget for each Portfolio after the planned transfers to and from reserves. It also shows the comparative position at month 6.

Table 5 - Summary Forecast Revenue Outturn 2022/23

	Revised Budget	Forecast	In Year Use of Transfer To/ (From) Reserves	Variance Month 8	Variance Month 6
	£000	£000	£000	£000	£000
Community Health and Adult Social Care	67,997	75,486	(2,890)	4,599	8,043
Children's Services	52,811	67,167	(2,312)	12,044	11,297
Public Health	24,189	26,818	(3,063)	(434)	(339)
Communities	6,528	6,792	(526)	(262)	(299)
Place and Economic Growth	54,840	59,868	(1,992)	3,036	2,717
Corporate Services	26,240	26,669	(1,143)	(714)	(339)
Capital Treasury and Technical Accounting	27,282	25,218	(972)	(3,036)	(2,908)
COVID-19 Legacy Funding	12,000	-	-	(12,000)	(12,000)
NET OPERATIONAL EXPENDITURE	271,887	288,018	(12,898)	3,233	6,172
Management Action / Spending Restrictions	-	-	-	(1,000)	(1,720)
NET EXPENDITURE	271,887	288,018	(12,898)	2,233	4,452
FINANCED BY:					
Collection Fund Deficit	8,807	8,807	-	-	-
Use of Reserves to offset Collection Fund Deficit	(8,807)	(8,807)	-	-	-
General Use of Reserves	(11,879)	(11,879)	-	-	-
Transfer to Earmarked Reserves - Business Rates Retention Pilot Gain	1,710	1,710	-	-	-
Other Financing	(261,718)	(261,718)	-	-	-
TOTAL FINANCING	(271,887)	(271,887)	-	-	-
NET FORECAST VARIANCE	-	16,131	(12,898)	2,233	4,452

6.4 The forecast outturn to the end of the year is an adverse operational variance of £3.233m. This reduces to a forecast pressure of £2.233m with the anticipated outcome of increased management actions and strengthened spending and recruitment restrictions. However, key financing issues to note are:

- As agreed during the 2022/23 budget setting process, there is a movement from reserves of the Section 31 Grant Funding for Business Rate Relief compensation which was received in 2021/22 and is being used to support the 2022/23 budget.
- The 2022/23 budget assumed that this technical adjustment relating to Section 31 Grant Funding would be £13.092m. This has been revised as the Business Rate Relief adjustment was finalised when preparing the 2021/22 accounts and changed from £8.888m to £8.807m. Guidance received from the Chartered Institute of Public Finance and Accountancy after the 2022/23 Revenue Budget was set advised that the technical adjustment for the COVID-19 Additional Relief Fund (CARF) of £4.204m was not required. Hence the final technical adjustment after the revision was £8.807m which has been financed by reserves.
- The 2022/23 budget is underpinned by the general use of £11.879m of reserves (less a £1.710m contribution to reserves) as approved at the March 2022 budget.
- There is a requirement for the use of £12.898m of reserves in year to support the budget position.

6.5 There are significant variances contained within the projected net overspend. The forecast position includes a projection of all the additional pressures being incurred by the Authority due to the lasting impact of the COVID-19 pandemic. During the 2022/23 budget setting process, £12.000m was set aside and retained as a corporate provision to be utilised to mitigate the legacy costs of the pandemic. There are currently two areas which are experiencing significant pressures attributed to the after-effects of the pandemic; Community Health and Adult Social Care reporting £5.717m and Children's Services reporting £3.477m. These pressures, totalling £9.194m, when offset against the £12.000m leave a balance of £2.806m in the corporate provision, which is being applied to support the business as usual pressure.

6.6 Table 6 below analyses the variance between 'business as usual' and COVID-19 costs.

Table 6 - Analysis of Variances between Business as Usual and COVID-19 costs

	COVID 19 Costs included in forecasts £000	Business as Usual £000	Variance Month 8 £000
Community Health and Adult Social Care	5,717	(1,118)	4,599
Children's Services	3,477	8,567	12,044
Public Health	-	(434)	(434)
Communities	-	(262)	(262)
Place and Economic Growth	-	3,036	3,036
Corporate Services	-	(714)	(714)
Capital Treasury and Technical Accounting	-	(3,036)	(3,036)
COVID-19 Legacy Funding	(9,194)	(2,806)	(12,000)
Management Actions Spending Restrictions	-	(1,000)	(1,000)
Total	-	2,233	2,233

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- 6.7 In addition to the legacy impact of COVID-19 there are a wide range of issues that have produced the reported variances. These are set out in the following paragraphs.
- 6.8 The Community Health and Adult Social Care (CHASC) Portfolio is reporting a net adverse variance of £4.599m, after a £2.890m use of reserves. The adverse variance comprises £5.717m of COVID-19 related expenditure, in the main due to the demand for care packages linked to hospital discharges with a residual favourable variance of £1.118m which relates to 'business as usual' activities. The non-COVID-19, business as usual services across CHASC are now showing an underspend or breakeven largely as a result of being able to utilise a portion of the Adult Social Care Discharge Fund received from Central Government in 2022/23 that has only been recently allocated and could not be included in previous financial projections.
- 6.9 Although the overall overspend has reduced from £8.043m at Month 6 to £4.599m, the underlying on-going financial pressure, without the benefit of the discharge funding, remains higher at £6.300m (rather than £8.043m). The budget for 2023/24 therefore has been adjusted to reflect this £6.300m plus a further £1.000m to reflect the anticipated requirements attached to the new grant funding streams which are to be received in 2023/24. Therefore, a resource allocation of £7.300m is included in the 2023/24 budget together with funding for other pressures including demographics bringing the total to £16.478m. This is £0.700m lower than previous 2023/24 budget estimates.
- 6.10 Children's Services is forecasting a net adverse variance of £12.044m, after a £2.312m use of reserves. The main area of pressure continues to be Children's Social Care (CSC) which is showing a forecast overspend of £12.347m. The adverse variance within CSC attributes £3.477m to COVID-19, due to an increased demand for social care placements both throughout and following the pandemic plus additional costs relating to the use of supernumerary agency workers to reflect the lasting increase in demand for services and the impact on case numbers. The residual CSC adverse variance of £8.870m relates to operational pressures across the Division, again driven by placement and staffing pressures. There is also one budget reduction at a value of £0.500m that is not being delivered and is contributing to the pressures.
- 6.11 Education, Skills and Early Years is reporting an underspend of £0.281m and Preventative Services is showing an underspend of £0.022m; a combined business as usual underspend of £0.303m.
- 6.12 Whilst the projected overspend at the end of 2022/23 has increased from that reported at month 6, it is expected that during 2023/24, the programme of activity included in the report approved at Cabinet on 12 December 2022 "Children's Services Investment Proposals " will have begun to reduce expenditure such that the £11.800m already incorporated within the budget estimates for 2023/24 and future years will be sufficient to finance expenditure.
- 6.13 Public Health is forecasting an operational underspend of £0.434m after a net £3.063m use of reserves primarily related to the use of the Contain Outbreak Management Fund grant which was brought forward from 2021/22.
- 6.14 Communities is showing an underspend of £0.262m after utilising £0.526m of reserves.
- 6.15 Place and Economic Growth Portfolio is forecasting an adverse variance of £3.036m net of a £1.992m use of reserves, in the main due to uncertainty in realising budget reductions in the Creating a Better Place programme (CaBP). As such, a sum of £2.012m has been built into the budget for 2023/24 to reflect the required reprofiling of the CaBP programme. None of the adverse variances have been attributed to the lasting impact of COVID-19 and is therefore being wholly classed as an operational pressure.
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- 6.16 The Corporate Services Directorate is forecast to underspend by £0.714m, all of which relates to 'Business as Usual' and is after a £1.143m use of reserves. There are pressures totalling £0.144m within Commissioning and Procurement (£0.047m) and Customer and Digital and Transformation (£0.097m). The pressures are offset by favourable variances totalling £0.858m relating to; Finance (£0.622m), Chief Executive, Management and Executive Office (£0.030m), Legal Services (£0.045m), Communications and Research (£0.020m), HR and Organisational Development (£0.038m) and Strategy and Performance (£0.103m).
- 6.17 Within the overall Corporate Services there are two budget reductions Internal Efficiency Initiatives (Unity Partnership) at £0.363m and Information and Communications Technology (ICT) at £0.020m that are not being delivered and the budget for 2023/24 has been adjusted to reflect this position.
- 6.18 Capital, Treasury and Technical Accounting is showing a favourable variance of £3.036m, all of which relates to 'business as usual' activities.
- 6.19 The approved budget for 2022/23 included centrally held resources to fund the final pay award (£1.500m), general inflationary pressures (£0.942m) and the escalating cost of energy (£1.500m). Reserves have also been set aside to fund any additional pressures above these sums. The approved budgetary funding is being utilised as follows:
- Funding for the pay award of £1.500m was retained centrally and is fully committed following confirmation of the final pay award. There is a dedicated reserve that, together with the balance of the inflationary pressures budget (referred to below), has been used to fund the impact of the pay award. Centrally held resources are being reallocated to service budgets to reflect the costs arising from the pay award.
 - The funding for inflationary pressures has been allocated directly to services where appropriate leaving a balance which, as advised above, is being used to fund the full impact of pay awards in service budgets. The £0.942m budget is forecast as being fully spent.
 - The funding for energy pressures has been fully utilised and allocated to the Place and Economic Growth Portfolio. Once again there is a dedicated reserve that is currently sufficient to deal with any shortfall.
- 6.20 The budget estimates for 2023/24 and 2024/25 have been significantly influenced by the inflationary pressures being experienced in 2022/23. The impact of pay, energy, contractual and service inflation collectively have created the largest budgetary pressure for 2023/24.
- 6.21 As outlined above, the month 8 report identifies a number of approved Budget Reductions which will not be achieved in 2022/23 and are contributing to adverse variances in Directorates. These total £2.895m as presented at section 8.2(e) have been built into the budget estimates for 2023/24 and 2024/25.
- 6.22 A further two Budget Reductions with a combined value of £1.500m are rated 'Amber – off track but measures are in place to recover the position'. These Budget Reductions are being closely monitored to ensure they do not become unachievable before the end of the financial year.
- 6.23 In view of the projected adverse variance, measures have been initiated to address the overspending, namely:
- management actions across all service areas to review and challenge planned expenditure and to maximise income.
-

-
- processes to monitor the recruitment of staff to vacant posts and significant items of expenditure.
 - ensuring non-essential expenditure is minimised.

6.24 These processes have been reviewed, strengthened and widened in scope in that Management Board members will review Council wide activity not just their own Service areas. As a result it is expected that the £2.233m forecast outturn is achieved by further management action of £1.000m (in addition to the £0.720m already delivered).

6.25 The effectiveness of the on-going management action and the strengthened corporate procedures will continue to be closely monitored by Management Teams with regular progress updates being provided to the Management Board and Portfolio Holders. Every effort will be made to reduce the adverse variance before the end of the financial year.

6.26 As evidenced by the information at Section 8, the projected outturn for 2022/23 has been used to inform budget setting for 2023/24 with particular emphasis on the forecasts for pay, energy, contractual and general service inflation together with Adults Social Care and Children's Social Care.

7 Revenue Budget Position Previously Reported

7.1 At its meeting of 12 December 2022, Cabinet approved a report which presented a revised revenue budget position for Oldham Council for the years 2023/24 and 2024/25, reflecting updated forecast budget pressures together with estimates of Government grant funding and local income generation forecasts based on the information contained in AS22.

7.2 Members will recall that the revised budget reduction requirement presented a budget reduction requirement of £27.975m for 2023/24 and £14.575m for 2024/25.

7.3 Since the Cabinet meeting there have been a number of developments which have resulted in revised estimates for 2023/24 and 2024/25 including the Local Government Finance Policy Statement, the publication of the PLGFS and the preparation of the month 8 financial monitoring position and importantly, a change to Council Tax policy, which has introduced an additional 2% increase to Council Tax in relation to the Adult Social Care Precept. A Council Tax increase of 3.99% is therefore proposed rather than 1.99% (as detailed in paragraphs 12.17 to 12.35). This has resulted in revisions to the budget reduction requirement for both 2023/24 and 2024/25. A direct comparison of the position (before any budget reductions or a final balancing use of reserves) reported to Cabinet on 12 December 2022 is:

- a) A reduction from £27.975m to £20.377m for 2023/24; and
- b) A reduction from £14.575m to £9.512m for 2024/25

7.4 The summary position is shown in the table below and an explanation of the figures within each of the individual rows of the table is detailed in the paragraphs 7.6 to 15.1 as per the reference column.

Table 7 Summary of Budget Reduction Requirement

	Para Ref	2023/24 Cabinet (12 Dec 2022) £000	2023/24 Further Revisions £000	2023/24 Final Position £000	2024/25 £000
2022/23 Net Revenue Budget		250,517		250,517	274,064
Total Adjustments to the Base Budget	7.6	12,044		12,044	8,600
Total Expenditure Adjustments	8.1	47,106	(1,193)	45,913	14,697
Total Impact of Levies, the Statutory Charge and Contributions	9.1	(804)	1,925	1,121	2,853
Total Expenditure		308,863	732	309,595	300,214
Total Government Grant Funding	10.1	(104,933)	(3,009)	(107,942)	(113,666)
Total Locally Generated Income	12.1	(155,650)	(6,342)	(161,992)	(164,803)
Total Collection Fund	13.1	(5,150)	1,020	(4,130)	0
Total Funding		(265,733)	(8,331)	(274,064)	(278,469)
Budget Reduction Requirement		43,130	(7,599)	35,531	21,745
Total 2021/22 and 2022/23 Budget Reduction Proposals	14.1	(3,655)		(3,655)	(5,700)
Total Flexible Use of Capital Receipts	15.1	(2,600)		(2,600)	(2,600)
Net Gap/Budget Reduction Requirement before Use of Reserves		36,875	(7,599)	29,276	13,445
Total Use of Reserves		(8,900)	1	(8,899)	(3,933)
Net Gap/Budget Reduction Requirement		27,975	(7,598)	20,377	9,512

7.5 Highlighted within the table is the Net Gap / Budget Reduction Requirement before the Use of Reserves at £29.276m for 2023/24 and £13.445m for 2024/25. Section 17 of the report uses this position as the starting position from which budget reductions and then the use of reserves (the final elements in balancing the budget) are presented, rather than the £20.377m and £9.512m.

Adjustments to the Base Budget

7.6 The budget for 2022/23 contained a number of adjustments including some which were one-off. The base budget must therefore be amended to address these one-off items to establish the start position for 2023/24 and 2024/25. The base budget adjustments are shown in the table below and the position has not changed from that reported to Cabinet on 12 December 2022 with £12.044m of adjustments for 2023/24 and £8.600m for 2024/25. These are mostly linked to the reversal of the use of reserves and the flexible use of capital receipts in balancing the budget of the previous year.

Table 8 Adjustments to the Base Budget

	2023/24 Cabinet (12 Dec 2022) £000	2023/24 Further Revisions £000	2023/24 Final Position £000	2024/25 £000
2022/23 Net Revenue Budget	250,517		250,517	274,064
Total Adjustments to the Base Budget	12,044	0	12,044	8,600
Revised Base Position for 2023/24	262,561	0	262,561	282,664

8 Expenditure Adjustments

8.1 A range of budget adjustments and pressures and have been identified during the preparation of the 2023/24 budget and 2024/25 forecasts. For 2023/24, these now total £45.913m, a reduction of £1.193m compared to the 12 December Cabinet report. For 2024/25, the total has reduced marginally from £15.560m to £14.697m. The table below presents the detailed changes for 2023/24 and 2024/25, explained (see paragraph reference) in the following narrative.

Table 9 - 2023/24 and 2024/25 Expenditure Adjustments

	Para Ref	2023/24 Cabinet (12 Dec 2022) £000	2023/24 Further Revisions £000	2023/24 Final Position £000	2024/25 £000
Expenditure Adjustments					
Pay Inflation	a	11,475	200	11,675	5,000
Contractual Inflation	b	1,713		1,713	1,000
Service Inflation	c	7,350		7,350	1,000
Energy Price Inflation	d	3,750		3,750	0
Unachieved / Reprofiled 2022/23 Budget Reductions	e	2,845	50	2,895	0
Children's Social Care - Demand Pressures - including COVID-19 Legacy	f	11,300		11,300	0
Children's Social Care - One Off Investment	f	2,900		2,900	0
Children's Social Care Pressures - impact on Legal Services	g	150		150	0
Adult Social Care - Demand Pressures/ Demographics	h	17,178	(700)	16,478	4,108
Adult Social Care – Market Sustainability and Fair Cost of Care Fund (BCF)	i	(2,068)	(560)	(2,628)	(1,324)
Adult Social Care – Adult Social Care Discharge Fund	i	(1,380)	(188)	(1,568)	(1,046)
Reversal of the Health and Social Care Levy impact on National Insurance	j	(383)		(383)	0
Home to School Transport - Additional Costs	k	1,000		1,000	250
Dedicated Schools Grant - Inherited Liabilities	l	128	(128)	0	0
Investment Fund	m	854	261	1,115	3,478
Employer Pension Contribution Rate Reduction	n	(1,500)		(1,500)	0
Cessation of Pension Prepayment Flexibility	o	750		750	75
Markets Relocation	p	542		542	0
Elections Cost Pressures	q	100		100	0
External Audit Scale Fees	r	150		150	0
Pest Control	s	0	100	100	
Cost of Living Support	t	1,790		1,790	(852)
Exceptional Hardship Payment Scheme	u	0	130	130	0
Information Technology - Research and Development Fund	v	100		100	0
Increased Expenditure Funded by the passporting of Public Health Grant	w	354	(354)	0	0
Development Fund / Political Priorities	x	0		0	3,000
COVID-19 Legacy Costs	y	(12,000)		(12,000)	0
Revised Parish Precept Expenditure (offset by Parish Precept income)	z	8	(4)	4	8
Total Expenditure Adjustments		47,106	(1,193)	45,913	14,697

8.2 A summary of each of these adjustments is set out in the following paragraphs:

a) **Pay Inflation - £11.675m in 2023/24 and a further £5.000m in 2024/25**

The 2022/23 pay award has been agreed for most Local Government employees and its impact on the Council has been calculated at an overall increase of 6.5% to the pay bill. The estimated pay award for 2023/24 is for an increase of 4% and for 2024/25 an increase of 3%. Reflecting these significant percentage increases, the budget for 2023/24 requires uplifting by £11.675m. This is £0.200m higher than previously presented to Cabinet following a recalculation of the pressure after the receipt of December's payroll information. The impact of a further 3% pay increase for 2024/25 results in a further pressure of £5.000m, an increase of £0.340m compared to the £4.660m previously assumed.

b) **Contractual Inflation - £1.713m in 2023/24 and a further £1.000m in 2024/25**

The Council has a number of contracts that are linked to RPI and CPI national rates which remain high, resulting in a 2023/24 pressure of £1.713m (unchanged from the position reported to Cabinet on 12 December 2022). It is expected that the 2024/25 budget will require adjustment of a further £1.000m, an increase of £0.043m to that presented to Cabinet in December 2022.

c) **Service Inflation - £7.350m in 2023/24 and a further £1.000m in 2024/25**

The inflation rate in 2022/23 has increased significantly and as such, a calculation has indicated that a 5% increase across all general services budgets (excluding any areas presented separately, such as pay and energy inflation) requires additional budgetary provision of £7.350m. The 2024/25 budget assumes a limited increase of £1.000m. These estimates are unchanged.

d) **Energy Price Inflation - £3.750m in 2023/24**

Cabinet on 12 December 2022 was advised that due to rising energy prices, an increase to the budget in the sum of £3.750m was required for 2023/24 but that no further amendment would be required to the budget for 2024/25. There has been no change to this assumption.

It is clear that energy price inflation is an extremely volatile area. Therefore, to be prudent, a specific risk reserve of £2.500m has been created to cover any additional costs due to volatility in 2023/24. The position will be kept under continual review.

e) **Unachieved / Reprofiled 2022/23 Budget Reductions - £2.895m in 2023/24**

Cabinet of 12 December 2022 was advised that budget reductions totalling £2.845m could not be achieved or offset by compensating recurring service savings. Since the Cabinet meeting this has increased by £0.050m as a result of the review of achievability of PPL-BR1-439 Internal Efficiency Initiatives – Unity Partnership. The updated total is £2.895m and consist of:

- PPL-BR1-439 Internal Efficiency Initiatives - Unity Partnership (£0.363m)
- PPL-BR1-512 Information and Communications Technology (£0.020m)
- PPL-BR1-401 Creating a Better Place – Projects & Assets (£2.012m) – although the value of this budget reduction will not be achieved as intended, it will be reprofiled to 2024/25
- CHS-BR1-443 External Placements Cost Avoidance (£0.500m)

f) **Children’s Social Care Demand Pressures - £11.300m and One-Off Investment of £2.900m in 2023/24**

Cabinet on 12 December approved a report which agreed investment of £11.800m for Children’s Social Care acknowledging the impact of the pressures being faced by the service and the need to rebase the budget. Of this sum £0.500m was to address the budget reduction CHS-BR1-443 External Placements Cost Avoidance which has not been delivered and is presented at (e) above with the balance of £11.300m to address on-going budget pressures reported in the month 6 financial monitoring report.

A further £2.900m of additional investment will be added to the budget for 2023/24 on a one-off basis to pump prime transformational activity. This will be funded by Children’s Services reserves. This is expected to deliver efficiencies and savings thus reducing the cost of Children’s Services in future years. As this is one off in nature the funding is removed in 2024/25.

In total, investment of £14.700m is being allocated to Children’s Social Care in 2023/24 and is unchanged from that previously reported.

g) **Children’s Social Care Pressures – Impact on Legal Services - £0.150m in 2023/24**

Cabinet in December 2022 was advised that £0.150m would be required in 2023/24 to address the increased legal costs arising from the number of children in the social care system. This pressure is unchanged.

h) **Adult Social Care – Demand Pressures/ Demographics - £16.478m in 2023/24 and £4.108m in 2024/25**

Members were advised in December 2022 that Adult Social Care pressures including the impact of demographics would require investment of £17.178m for 2023/24 and £2.865m for 2024/25. This was in part based on information contained in the month 6 financial monitoring report. The month 8 financial monitoring report has advised that the underlying pressure in Adult Social Care has reduced. The budgetary pressure for 2023/24 has been reassessed at £16.478m, a reduction of £0.700m (as outlined at paragraph 6.9). However, a review of the 2024/25 position has resulted in an increase of £1.243m from £2.865m to £4.108m.

i) **Adult Social Care – New Ringfenced Grants - £4.196m in 2023/24 and a further £2.370m in 2024/25**

The December report advised that new ringfenced grants for Adult Social Care were expected to provide additional resources of £3.448m in 2023/24 and a further £2.373m in 2024/25. The PLGFS has provided detailed allocations for 2023/24 and this has increased resources by £0.748m in 2023/24 as follows:

- Market Sustainability and Fair Cost of Care Fund - £2.628m (an increase of £0.560m).
- Adult Social Care Discharge Fund - £1.568m (an increase of £0.188m).

A small decrease of £0.003m has been assessed for 2024/25 from £2.373m to £2.370m.

As this is ringfenced funding it has the impact of directly offsetting expenditure and is therefore presented as an adjustment to expenditure estimates. Further detail is provided at Section 11.12 and 11.13.

j) **Reversal of the Health and Social Care Levy net impact on Pay Budgets – (£0.383m) in 2023/24**

There has been no change to the calculated impact of the reversal by the Government of the Health and Social Care Levy thereby reducing National Insurance contribution rates by 1.25% with a net impact to mainstream service pay budgets for 2023/24 of £0.383m.

k) **Home to School Transport – Additional Costs - £1.000m in 2023/24 and £0.250m in 2024/25**

As reported to Cabinet on 12 December 2022, the anticipated increase to the cost of the Home to School Transport Service remains at £1.000m for 2023/24. A specific risk reserve of £0.228m will be held to mitigate any 'worst case scenario' additional pressures. A further pressure of £0.250m is anticipated for 2024/25.

l) **Dedicated Schools Grant (DSG) – Inherited Liabilities - £0.000m in 2023/24**

It had been assumed that there would be a requirement for the Council to fund historic costs e.g., on-going pension liabilities, which could no longer be funded by the DSG. This was reported to Cabinet as a pressure at a value of £0.128m. However, after a successful submission to the Department of Education, DSG funding will be received to offset the cost and the budgetary pressure can now be removed.

m) **Investment Fund - £1.115m in 2023/24 and £3.478m in 2024/25**

The investment fund represents the required budget to fund borrowing costs arising from planned capital expenditure. For 2023/24 this is estimated at a value of £1.115m (an increase of £0.261m from the 12 December 2022 position). An additional pressure of £3.478m is anticipated for 2024/25 (a reduction of £0.441m from the 12 December 2022 position).

n) **Employer Pension Contribution Rate Reduction – (£1.500m) in 2023/24**

As reported to Cabinet on 12 December 2022, the Greater Manchester Pension Fund has advised that based on the latest actuarial valuation, the employers pension contribution rates for the period 2023/24 to 2025/26 will produce a benefit to the Council at a value of £1.500m. This position is unchanged.

o) **Cessation of Pension Prepayment Flexibility - £0.750m in 2023/24 and £0.075m in 2024/25**

For the period 2020/21 to 2022/23, the Council made an up-front payment of its employer pension contributions to the Greater Manchester Pension Fund to generate a revenue budget reduction of £0.900m in each of the three years. Whilst the option to make such a prepayment will be available in 2023/24, the treasury management position of the Council and prevailing interest rates make this a much less beneficial option. The full impact of the £0.900m contribution reduction is offset in part by the Council's ability to generate additional interest on the funds it will not be prepaying thus reducing the financial pressures to £0.750m. The treasury management benefit is expected to reduce by £0.075m in 2024/25, thus increasing the budget requirement.

A final decision on whether to make the employers pension contribution prepayment is not required until April 2023 and there could be changes to the financial viability of the prepayment before that time. Delegation is therefore sought to enable the Cabinet Member for Finance and Low Carbon and the Director of Finance to make a final decision on the feasibility of the pre-payment and hence the generation of an additional benefit to the Council. Should a prepayment be made, although too late to be included in budget setting, the financial benefits will be reported to Cabinet in the Month 3 monitoring report for 2023/24.

p) **Market Relocation - £0.542m in 2023/24**

A report presented to Cabinet on 21 September 2022 identified revenue costs associated with relocating the Tommyfield Market to the Town Square Shopping Centre at a value of £0.542m. The budget requires adjustment to reflect this cost and will support the traders in relocating to the new premises and support their sustainability during current challenging times.

q) **Elections Cost Pressures - £0.100m in 2023/24**

The December Cabinet report advised that additional costs are anticipated in 2023/24 for premises hire for polling stations and increased postage costs. To address this, £0.100m is required to be added to the budget and this estimate has not changed.

r) **External Audit Scale Fees - £0.150m in 2023/24**

The estimated increase to the External Audit fee of £0.150m remains unchanged to that reported to Members in December.

s) **Pest Control - £0.100m in 2023/24**

The Council is investing resources of £0.100m in the provision of Pest Control services. This will provide funding for additional staff and materials to facilitate delivery of Public Health related Pest Control services for vulnerable residents.

t) **Cost of Living Support - £1.790m in 2023/24 and a reduction of £0.852m in 2024/25**

On 21 September 2022, Cabinet approved Oldham's response to the on-going cost of living crisis which requires expenditure of £1.790m in 2023/24. The cost falls to £0.938m in 2024/25 and therefore the budget requirement reduces by £0.852m.

u) **Exceptional Hardship Payment Scheme - £0.130m in 2023/24**

Mindful of the pressures being experienced by some households, the funding for the Exceptional Hardship Payment Scheme is being increased by £0.130m so that the Council has more resources available to support those experiencing difficulties paying Council Tax as a result of the cost of living crisis.

v) **Information Technology – Research and Development Fund - £0.100m in 2023/24**

Unchanged from the 12 December 2022 report is the £0.100m investment to enable some feasibility and research work to commence for potential information technology schemes and projects which will allow transformational change to take place and cost

savings to be realised. It is anticipated that this will be offset by £0.100m of the assumed £2.600m flexible use of capital receipts.

w) **Increased Expenditure Funded by the passporting of Public Health Grant - nil**

The 12 December 2022 Cabinet report advised that it was expected that Public Health Grant (PHG) would be increased by 2% and in line with Council policy to passport increases in PHG to the service, expenditure estimates were increased by £0.354m in 2023/24 and an anticipated £0.361m in 2024/25. The PLGFS has not included any additional PHG funding or provided any information about any increases. As such, the anticipated increased expenditure has been removed as there is no specific funding source to support it.

If there is a subsequent notification of PHG, then both the expenditure and grant income budgets will be increased by a corresponding sum. It is possible (as in 2022/23) that the PHG notification may be provided at the Final Local Government Finance Settlement.

x) **Development Fund / Political Priorities - £3.000m in 2024/25**

The 2024/25 forecasts include a budget of £3.000m to facilitate the funding of corporate priority developments that emerge during the budget process in line with political priorities. This is unchanged from the 12 December 2022 position.

y) **COVID-19 Legacy Costs – (£12.000m) in 2023/24**

In 2022/23, £12.000m was added to the budget to fund any legacy costs in relation to the COVID-19 pandemic, particularly in relation to Children's and Adults Social Care services. It was expected these costs would reduce on a gradual basis with £3.000m being released from the budget each year to 2025/26. It was therefore assumed that £9.000m would be available to support the budget in 2023/24. Given the on-going nature of the COVID-19 related pressures, the concept of COVID-19 legacy has now superseded and budgetary provision consolidated into the mainstream budgets of Children's and Adult Social Care in the sum of £4.500m each. The anticipated reduction in future years has been removed involving a total budget adjustment of £12.000m in 2023/24 and remains unchanged from the position reported in December 2022.

z) **Revised Parish Precept Expenditure (offset by Parish Precept income) - £0.004m in 2023/24 and £0.008m in 2024/25**

Since the 12 December report, the anticipated Parish Precepts expenditure for 2023/24 has reduced from £0.008m to £0.004m, although there could be a further change once the respective Parish Councils have finalised their budgets. This change has no detrimental impact to the Council as it will be fully funded by increased Parish Precept income. No change to the £0.008m 2024/25 estimate has been made.

8.3 Overall, the impact of all of the expenditure pressures outlined above is £45.913m for 2023/24 and £14.697m for 2024/25.

9 Levies

- 9.1 Members will be aware that the Greater Manchester Combined Authority charges the Council for Waste Disposal and Transport Services in the form of levies and a statutory charge. It also charges for some other regionally provided services. In addition, the Environment Agency also charges a levy for services. The Council has no discretion over the payment of levies and statutory charges.
- 9.2 As reported to Cabinet on 12 December 2022, it had been assumed that the levy/statutory charge/contributions to be made in 2023/24 would fall by £0.806m compared to the previously assessed level. This has now been revised so that rather than a decrease from the 2022/23 charge, there will be an increase of £1.119m. This results in a change to the estimate for 2023/24 by £1.925m.
- 9.3 Members will be aware that this financial year, the GMCA has returned to the Council its share of excess 2020/21 Waste Disposal service reserves at a value of £1.044m. This refund will be held in the Council's reserves at the end of the 2022/23 financial year and used to support the revenue budget in 2023/24.
- 9.4 The estimates increase to levies/contributions for 2024/25 includes funding of £1.432m for the Mayoral Bus Reform initiative which is to be funded on a one off basis by the use of reserves.
- 9.5 It is also anticipated that the Council's contribution to the Environment Agency Levy will remain unchanged at an increase of £0.002m.

Summary of Levies/Contributions

- 9.6 The changes to the estimates relating to Levies are summarised in the table below:

Table 10 – Impact of Levies

	2023/24 Cabinet (12 Dec 2022) £000	2023/24 Further Revisions £000	2023/24 Final Position £000	2024/25 £000
Projected Change to GMCA Levy budgets	(806)	1,925	1,119	2,851
Environment Agency Levy	2		2	2
Total Impact of Levies, the Statutory Charge and Contributions	(804)	1,925	1,121	2,853

- 9.7 The change to the levies for both GMCA services and the Environment Agency are based on best information available but are subject to revision when respective organisation meet to confirm their levy charges. Final notifications are expected in early February 2023.

10 Main Unringfenced Government Grants Announced in or Derived from the Provisional Local Government Finance Settlement

10.1 The PLGFS and associated announcements provided information about some but not all of the Government grant funding that the Council is expecting to receive in 2023/24. However, as is shown in the table below and the accompanying commentary, the Council expects to receive an increase in grant funding of £3.009m. It should be noted that there has been no specific funding provided for the general inflationary pressures that the Council is experiencing.

Summary of Unringfenced Government Grants Linked to the PLGFS

10.2 A summary of all grants notified or anticipated (for which a sum has been assumed) as included in the PLGFS is shown in Table 11 below. Total funding equals £107.942m which is £3.009m higher than the forecasts presented to Cabinet on 12 December 2022.

Table 11 – Summary of Unringfenced Government Grants

	2023/24 Cabinet (12 Dec 2022) £000	2023/24 Further Revisions £000	2023/24 Final Position £000	2024/25 £000
Government Grant				
Business Rates Top Up Grant	(43,277)	(2,739)	(46,016)	(48,113)
Grant in Lieu of Business Rates	(23,471)	(2,223)	(25,694)	(27,596)
Improved Better Care Fund Grant	(11,188)	0	(11,188)	(11,188)
Social Care Support Grant	(21,433)	(21)	(21,454)	(24,783)
Lower Tier Services Support Grant	(437)	437	0	0
Housing Benefit Administration Grant	(824)	14	(810)	(796)
Revenues and Benefits Service New Burdens Grant	0	(11)	(11)	(9)
Local Council Tax Administration Subsidy Grant	(360)	360	0	0
New Homes Bonus Grant	(562)	310	(252)	(125)
Services Grant	(3,381)	864	(2,517)	(1,056)
Total Government Grant Funding	(104,933)	(3,009)	(107,942)	(113,666)

10.3 The unringfenced Government Grants notified or expected for 2023/24 and 2024/25 are detailed below:

a) **Business Rates Top Up Grant - £46.016m in 2023/24 and £48.113m in 2024/25**

Business Rates top up grant for 2023/24 is £46.016m as notified in the PLGFS. This is £2.739m more than was presented to Cabinet on 12 December 2022. This is largely as a result of the increasing of the RSG element of the Top Up grant by 10.1% to reflect the rate of CPI as outlined at 5.11.

It is expected that there will be an allocation of Public Health Grant which, due to the Council piloting 100% Business Rates Retention, will have the impact of increasing the Business Rates Top Up grant. However any increase will be net neutral to the financial position of the Council as its policy is to passport the Public Health grant in full to the service.

For 2023/24, there has been a roll in of a number of grants into the Business Rates Top Up Grant as follows:

- Local Council Tax Administration Subsidy Grant. This had been included in the forecasts prepared for the 12 December 2022 Cabinet report at £0.360m, however the total allocation of £0.361m has been rolled into the total Business Rates Top Up Grant.
- Family Annexe Council Tax Grant. No allocation for this grant had been included within the 12 December 2022 estimates. The total allocation £0.004m has been rolled into the Top Up Grant.
- A new grant for Food Security Enforcement Grant (Natasha's Law) at a value of £0.005m has been rolled into the Business Rates Top Up Grant. This had not been included within the Council's 12 December 2022 estimates.

For 2024/25, it is expected that the Government will again increase allocations in line with inflation with an estimated CPI rate for 2024/25 at 7.4%.

b) Grant in Lieu of Business Rates - £25.694m in 2023/24 and £27.596m in 2024/25

Directly aligned to the Business Rates income that the Council generates is the level of Grant in Lieu of Business Rates. This grant represents compensation for Government policy announcements and events that have the impact of reducing the amount of collectable Business Rates revenue including the Business Rates Reliefs and the multiplier cap. For 2023/24, the Grant in Lieu of Business Rates is expected to be £25.694m.

The PLGFS confirmed the announcement at AS22 that the Business Rate multiplier is frozen and Local Authorities will be compensated for this. Grant for 2023/24 includes additional compensation for the multiplier based on CPI. The multiplier from the financial year 2024/25 will also have a link to the CPI.

The 2023/24 compensation that Oldham will receive has been included within the Grant in Lieu of Business Rates allocation detailed above at a value of £25.694m. As with Business Rates Top Up funding above, it is also expected that Grant in Lieu of Business Rates will be increased in line with inflation for 2024/25 resulting in a total grant value of £27.596m.

c) Improved Better Care Fund Grant - £11.188m for 2023/24 and 2024/25

The PLGFS confirmed the Improved Better Care Fund for 2023/24 at £11.188m, which is at the same level as that received in 2022/23 and is no change to the estimate included within the Council's 12 December Cabinet report. It is expected to remain at this level for 2024/25.

d) Social Care Support Grant - £21.454m in 2023/24 and £24.783m in 2024/25

The PLGFS also confirmed an increase in the unringfenced Social Care Support Grant which is a grant provided to assist Councils with financing the increased expenditure pressures for both Adult and Children's Social Care. The total amount allocated for Oldham is £21.454m, an increase of £0.021m from the 12 December 2022 estimates and includes recycled funding from previously announced Adult Social Care Reforms and the roll in of the Independent Living Fund Grant. The breakdown of this allocation compared to the position anticipated in the December Cabinet report is as follows:

- Rollover of Social Care Support Grant 2022/23 - £12.132m (no change)
- Recycled Social Care Support Grant - £6.742m (£0.021m increase)
- Independent Living Fund Roll in - £2.580m (no change)

The Government has announced increased national allocations for 2024/25 and for planning purposes, Oldham's estimated allocation has been increased by the same % as the national figures resulting in an expected grant of £24.783m.

e) Lower Tier Services Grant - nil

Within the PLGFS, the Government announced a new Funding Guarantee Grant to ensure that every Local Authority has an increase in Core Spending power of at least 3%. This new grant has been funded by removing the Lower Tier Services Support Grant and by reducing the New Homes Bonus grant. Oldham has a nil allocation of the Funding Guarantee grant as its CSP is higher than 3% at 10.04%.

The impact for Oldham is the removal of grant of £0.437m compared to the position presented to Cabinet on 12 December 2022.

f) Housing Benefit Administration Grant - £0.810m in 2023/24 and £0.796m in 2024/25

The Council received notification of the 2023/24 funding allocation from the Department of Work and Pensions after the issue of the PLGFS on 21 December at a reduced value of £0.810m, a decrease of £0.014m compared to the 2023/24 funding allocation and the estimate presented to Cabinet on 12 December 2022. The grant is expected to reduce at a similar level in 2024/25 to a value of £0.796m.

g) Revenues and Benefits Service New Burdens - £0.011m in 2023/24 and £0.009m in 2024/25

The Department of Work and Pensions has notified of a number of small new burdens grants to recompense the Authority for additional requirements. These include the cost of additional activities required to support Universal Credit claimants that are living in temporary or supported accommodation and receive their housing costs through Housing Benefit, the migration to Universal Credit and compliance with the Single Fraud Investigation Service. It is expected that the Council will receive £0.011m in 2023/24 with a slight reduction to £0.009m in 2024/25.

h) Local Council Tax Administration Subsidy Grant - nil

As detailed in paragraph (a) the Local Council Tax Administration Subsidy Grant has now been rolled in to the Business Rates Top Up Grant (within the RSG element) and the Council will no longer receive this as a separate allocation.

i) New Homes Bonus Grant - £0.252m in 2023/25 and £0.125m in 2024/25

This grant will continue in 2023/24 and is to be paid on the same basis as 2022/23, however there will be no legacy payments. The future of this grant post 2023/24 is unclear with a consultation expected to be issued before the 2024/25 PLGFS. The 12 December 2022 estimates had assumed a value of £0.562m, however, with no legacy payments, this allocation has reduced to £0.252m for 2023/24 which is a decrease of £0.310m. It is expected that the Government will phase out the remaining grant with a further reduction expected in 2024/25 to a value of £0.125m.

j) Services Grant – £2.517m in 2023/24 and £1.056m in 2024/25

Included within the estimates presented to Cabinet in December 2022 was an allocation of £3.381m for the Services Grant. This grant had already been reduced from original estimates due to the previous reversal of the Health and Social Care Levy contribution. As indicated in the AS22, the Services Grant was also to be reduced further to provide additional funding for the Supporting Families Programme. Although no details of this grant were provided, the Council has been advised separately of indicative allocations (see para 11.4). The PLGFS confirmed that Oldham's Services Grant allocation for 2023/24 is £2.517m, which is a further decrease of £0.864m.

For 2024/25, it is expected that the Government will reduce the Services Grant further to fund inflationary increases to the RSG. As part of the 100% Business Rates Retention Pilot, the Council does not receive RSG directly however the Government continues to publish notional RSG values and the expected Services Grant for the Council has been reduced by the equivalent notional increase in RSG at a value of £1.056m.

- 10.4 As mentioned at paragraph 4.3, the Government has also announced a new funding stream to be introduced from 2024/25 for the 'Extended Producer Responsibility for Packaging Scheme'. At the time of writing there is no clarity as to the grant funding levels or any conditions that might be linked to the grant. Any net benefit that the Council receives will reduce the budget reduction requirement for 2024/25.

11 Ringfenced Grants

- 11.1 The estimates underpinning the Council's estimates are based on ringfenced grants being allocated to fulfil their intended purpose. Such grants include the Dedicated Schools Grant, Supporting Families Programme (formerly Troubled Families), Housing Benefit Subsidy Grant, Discretionary Housing Payments and Homelessness Prevention Grant. Ringfenced grant assumptions are based on the allocations that have been notified by the funding body. It is important to note that any spending above the ringfenced grant level can impact on the Council's financial position. It is essential that services funded by ringfenced resources are managed with the same level of challenge and scrutiny as those funded by general resources.

Dedicated Schools Grant (DSG)

- 11.2 The DSG is a ringfenced grant payable to Local Authorities by Government for the funding of schools. For several years, the Government has been changing the way it distributes schools funding via the DSG from locally agreed arrangements towards a standard means of allocating resources. This is known as the National Funding Formula (NFF). The Council's approach to funding schools for 2023/24 was approved at Cabinet on 12 December 2022.
- 11.3 The overall DSG allocation was confirmed at £321.710m in information preceding the PLGFS on 16 December 2022. Further details regarding the DSG and allocation are included in **Appendix 1**.

Supporting Families (formerly Troubled Families) Programme

- 11.4 The Supporting Families Programme aims to support families with deep rooted problems relating to issues such as crime and anti-social behaviour, education, life chances, living standards, domestic abuse and mental and physical health. It provides much-needed support to improve outcomes for children and families on these issues. The programme is delivered through a devolved agreement between Government and Greater Manchester via a Reform Investment Fund. In the October 2021 Spending Review, the Chancellor committed to a continuation of the programme for the next three financial years with an additional £200m nationally over this period. In 2022/23, Oldham's allocation was £1.370m with a target of supporting an additional 420 families with complex needs. The funding is projected to increase over the next two years, with an indicative allocation of £1.570m in 2023/24 and £1.700m in 2024/25 but with a requirement to successfully support 680 families in 2023/24 and 840 families in 2024/25 (a 100% increase). The funding will complement investment through the Government's Family Hubs programme.
- 11.5 As detailed within Section 10.3 (j), the increase in the ringfenced Supporting Families Programme will be funded from reducing the unringfenced Services Grant allocation for 2023/24.

Housing Benefit Scheme / Housing Benefit Subsidy Grant

- 11.6 The Council receives Housing Benefit Subsidy Grant funding from the Department for Work and Pensions (DWP) to fund the costs of operating the Housing Benefits scheme. Allocations are determined on the submission of a Local Authority's initial estimate for its anticipated levels of rent allowances and rent rebates within a financial year. A revised estimate takes place mid-year. In addition to these estimates the DWP also allocates an amount for the administration of the scheme which is based on the number of new housing benefit claims and overall caseload.

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- 11.7 In 2022/23 the Council is currently forecasting £41.721m of funding for Housing Benefit from the DWP. This allocation is likely to be reduced during 2023/24 as Housing Benefit caseloads continue to fall. The estimated 2023/24 position will be revised following the Council's submission of updated information in accordance with the statutory deadline of 1 March 2023.

Discretionary Housing Payments (DHP)

- 11.8 The Council is awaiting notification of DHP grant allocations for 2023/24. For the 2022/23 financial year, the amount received by the Council was £0.427m and it is expected that the allocation for 2023/24 will be at a similar level. When received, this will be treated as a ringfenced grant as Authorities are required to provide a statement of grant usage and to return any unspent DHP allocation to the Government at the end of each financial year.

Homelessness Prevention Grant

- 11.9 The Government has announced continuation of a ringfenced grant to tackle homelessness and rough sleeping. Allocations have been notified and a grant of £0.578m has been awarded in 2023/24.

- 11.10 Homelessness Prevention grant is to give Local Authorities control and flexibility in managing homelessness pressures and supporting those who are at risk of homelessness. The Government expects it will be used to:

- Enforce the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness.
- Reduce family temporary accommodation numbers through maximising family homelessness prevention.
- Eliminate the use of unsuitable bed and breakfast accommodation for families for longer than the statutory six week limit.

Domestic Abuse Duty Funding

- 11.11 The Domestic Abuse Act 2021 placed new duties on Local Authorities across England to ensure that victims of domestic abuse and their children can access the right support in safe accommodation when they need it. On 12 December 2022, DLUHC announced and published allocations of the Local Authority Domestic Abuse Duty funding for 2023/24 and 2024/25. For Oldham, the ringfenced grant awarded is £0.592m for 2023/24 and £0.603m for 2024/25.

Adult Social Care - Market Sustainability and Fair Cost of Care Fund

- 11.12 As detailed at Section 3.9/3.10, additional grant of £1 billion funding was announced by the Government as part of the Autumn Statement. Of this funding, £600m of Better Care Fund grant is split between Local Authorities and the National Health Service (NHS) with the Market Sustainability and Fair Cost of Care funding in 2022/23 of £162m being rolled in for 2023/24. The PLGFS confirmed that Oldham's allocation for this ringfenced grant is £2.628m, which is an increase of £0.560m against previous estimates. It is expected that a further £1.046m will be received in 2024/25.

Adult Social Care – Discharge Fund

- 11.13 Of the £1 billion additional funding detailed above, £400m is to be allocated to Local Authorities to help support with hospital discharges. The allocation for Oldham has now been confirmed at £1.568m, which is an increase of £0.188m from the estimates presented to Cabinet at its meeting of 12 December 2022. It is expected that a further £1.324m will be received in 2024/25.

Household Support Fund Grant

- 11.14 As confirmed in AS22, there is to be a twelve month extension of the ringfenced Household Support Fund grant in 2023/24 at a national value of £1 billion. Notifications for 2023/24 have not yet been received, however it is assumed that the Council will receive a level similar to that which it has received in 2022/23 which is at a value of £4.838m.

Holiday Activities and Food Grant

- 11.15 On 20 December 2022, the Department for Education announced the continuation of the Holiday Activities and Food Grant for 2023/24. This purpose of this funding is for Local Authorities to make free places at holiday clubs available in the Easter, summer and Christmas school holidays in 2023/24. These places will be made available to children in the Local Authority area who are eligible for and receive free school meals. The allocation for Oldham has been confirmed at £1.480m.

Council Tax Support Fund

- 11.16 Following the PLGFS, on 23 December 2022, DLUHC published allocations for a new Council Tax Support Fund of £100m which is to be used to support the most vulnerable households in England. The Government expects Local Authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Council Tax Reduction claimants by up to £25. Councils can use their remaining allocation as they see fit to support vulnerable households with Council Tax bills. Oldham's allocation for this ringfenced grant is £0.573m for 2023/24. A discretionary scheme will be prepared to outline the way in which the grant will be allocated in Oldham.

12 Locally Generated Income

12.1 The AS22 confirmed the continuation of the 100% Business Rates Retention Pilot scheme into 2023/24 but advised that its continuation into 2024/25 would remain under review by the Secretary of State. The budget estimates for 2024/25 have been prepared on the basis that the pilot scheme will continue, and continuity will therefore be provided by the Government until the end of the current Spending Review period.

12.2 The table below sets out the individual elements of locally generated income with narrative detailing the key issues in the following paragraphs.

Table 12 Locally Generated Income

	2023/24 Cabinet (12 Dec 2022) £000	2023/24 Further Revisions £000	2023/24 Final Position £000	2024/25 £000
Locally Generated Income				
Retained Business Rates	(48,429)	(4,250)	(52,679)	(50,164)
Council Tax Income - General Purposes	(94,121)		(94,121)	(97,113)
Adult Social Care Precept	(12,778)	(2,096)	(14,874)	(17,200)
Parish Precepts	(322)	4	(318)	(326)
Total Locally Generated Income	(155,650)	(6,342)	(161,992)	(164,803)

Retained Business Rates

12.3 This income is driven by the rateable value of business premises and the Government notified business rates multiplier. There are, however, a range of other factors such as Government policy announcements, empty premises and local economic conditions that influence the level of Business Rates that can be collected. A key influence on Business Rates income has been the granting of a range of reliefs and discounts which has generated Grant in Lieu of Business Rates as explained at 10.3 (b). An extra factor for the financial year 2023/24 has been Business Rates Revaluation which has determined the amount of rates to be collected locally.

12.4 As advised in SR21 and supplemented by the AS22, the PGLFS confirmed the freezing of the Business Rates multiplier in 2023/24, therefore the multipliers are:

- non-domestic rating multiplier: 51.2p
- small business non-domestic rating multiplier: 49.9p

12.5 The impact of Retained Business Rates and Grant in Lieu of Business Rates on the 2023/24 budget is set out in the above table, comparing the estimated position reported to the Cabinet meeting of 12 December 2022 against the revised expected position.

12.6 The key financial implications for the 2023/24 budget are explained in the following paragraphs.

12.7 On 1 April 2017, the GMCA, Oldham Council and the nine other GM districts commenced a pilot scheme for the 100% local retention of Business Rates. Under the pilot scheme, additional Business Rates income was initially offset by reductions in other funding streams such as RSG and Public Health Grant in exchange for the local retention of all future growth in Business Rates revenue (rather than just 50% as is the case with the national scheme of rates retention). The pilot scheme has delivered financial benefits for its participants. Whilst

there has been some uncertainty as to the continuation of the 100% Business Rates retention piloting arrangements, the PLGFS advised that the pilot scheme would continue for another financial year in 2023/24 with a review to be undertaken in that year to determine the continuation of the scheme into 2024/25.

- 12.8 As presented to Cabinet in 12 December 2022, the anticipated Retained Business Rates income for 2023/24 was shown at £48.429m. This assumed no continuation of the pilot scheme at that time. As outlined above, it has now been confirmed that the pilot scheme will continue and includes an expectation that 75% of the estimated pilot gain can be used by the Council. The estimate was also prepared before the notification by Government of Business Rate Reliefs applicable from 1 April 2023, which has the impact of reducing the amount of Business Rates that can be billed. Despite the reliefs (for which the Council will receive compensation through Grant in Lieu of Business Rates (see paragraph 12.13)), the estimated level of Business Rates has increased to £52.679m.
- 12.9 This increase is in part the consequence of the assumption of a benefit of £4.180m from the Business Rates pilot scheme for 2023/24. The current arrangements are that the Council can retain 75% of this benefit with the balance attributable to the GMCA (although this has yet to be finally confirmed for 2023/24). Working on a 75% share, the Council would receive £3.135m and this will be made available to support the 2023/24 budget whilst the GMCA share of £1.045m will be transferred to a reserve to be paid to the GMCA once the final position has been agreed. It is important to note that these figures will only be confirmed at the end of 2023/24 and must therefore remain indicative but can be relied upon for budget setting purposes.
- 12.10 The level of Business Rates to be relied upon for budget setting (the Business Rates Tax Base) has to be formally approved by Cabinet. A report setting out the estimated Tax Base was presented to Cabinet on 23 January 2023. However, under the current Local Government finance system introduced on 1 April 2013, local billing authorities are required to prepare and submit to the Government a locally determined and approved Business Rates forecast through the National Non-Domestic Rates (NNDR 1) return by 31 January each year. The work to finalise the NNDR1 is still underway, therefore, the Cabinet report of 23 January 2023 gives delegation for the decision to vary the final Business Rates forecast and hence the Business Rates Tax base, to the Deputy Leader and Cabinet Member for Finance and Low Carbon in consultation with the Director of Finance. There may, therefore, be a further change to the estimates.
- 12.11 For the purposes of formal decision making, Oldham Council's share of the Business (Non-Domestic) Rates forecast for 2022/23 is presented at £48.499m a reduction of £0.106m compared to 2022/23 (reflecting the offsetting receipt of grant compensation) but £0.070m higher than the position reported to Cabinet in December 2022. However, when including the Retained Business Rate pilot scheme growth, the Council's share increases to £51.634m, with £1.045m available for the GMCA. This represents the best estimate available. The total sum of £52.679m is represented as follows:

Table 13 – 100% Pilot Scheme Benefits

	£000	£000
Council's share of 2023/24 Retained Business Rates income	(48,499)	
Council's share of Retained Business Rates Pilot scheme growth	(3,135)	
Total Benefit to the Council		(51,634)
GMCA share of Retained Business Rates Pilot Scheme Growth	(1,045)	
Total Benefit to GMCA		(1,045)
Total Retained Business Rates income		(52,679)

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- 12.12 The final Business Rates forecast for 2023/24 will be confirmed when preparing the submission of the Council's NNDR 1 return in late January 2023.
- 12.13 The estimated Business Rates income for 2024/25 is £50.164m. This is based on the presentation of Business Rates income assuming the pilot scheme continues but prudently does not assume any gain from the pilot scheme. If and when the formal notification of the continuation of the pilot scheme is confirmed, the estimate could be adjusted.
- 12.14 Members will recall, with the exception of 2021/22 and 2022/23, Oldham has participated in Business Rates pooling since 2015/16. The aim of pooling is to retain the benefits of any Business Rates growth within Greater Manchester for the benefit of the region. An initial expression of interest was submitted to the Government for the creation of a 2023/24 GM Business Rates Pool including all ten GM Districts.
- 12.15 The Business Rates Pooling proposition is such that no Local Authority should be worse off by pooling than it would be if it did not pool. Therefore, if there is any growth in Business Rates as a result of the economic regeneration activity planned within the borough, the Council would be able to keep its share of that benefit also benefiting from a share in any levy payment that any other levy paying Authority in the pool would normally pay to Central Government.
- 12.16 The fact that Greater Manchester is piloting full Business Rates retention, suggests participating in Business Rates pooling is no longer necessary as there are no additional financial gains to be made. However, a decision on membership could not be made until the contents of the 2023/24 PLGFS had been examined and the impact understood. Confirmation of pool membership had to be made within 28 days of the receipt of the PLGFS (16 January 2023). Having considered all the relevant information, the conclusion reached by all Councils was that pooling was not advantageous for 2023/24. With that collective decision, the Government was informed that there would be no GM Business Rates pool in 2023/24.

Council Tax

- 12.17 Council Tax is the largest single revenue stream that is used to support the Council's revenue budget. Council Tax and Adult Social Care Precept (ASCP) income changes each year due to changes in the Tax Base (increase/decrease in chargeable Band D equivalent properties), fluctuations in collection rates and the Council's annual decisions on the level of the Council Tax as set out below.

Council Tax Tax Base

- 12.18 Each year the Council is required to review its Tax Base by considering the:
- numbers of properties within the boundary of the borough which determines the number of Band D equivalent properties upon which the Council Tax calculations are based; and
 - anticipated level of Council Tax that will be collected known as the Collection Rate.
- 12.19 The Tax Base for 2023/24 was initially estimated at 57,943 Band D equivalents, but in the report approved at Cabinet on 12 December 2022, Members were advised that the most recent assessment was that the Tax Base would increase to 58,500. This was clearly subject to confirmation through the formal setting of the Tax Base at Cabinet in January 2023. On 23 January 2023, Cabinet considered and approved the calculation of the Council Tax Tax Base for 2023/24 at 58,500. This determines the overall level of Council Tax that the Council can use to support the 2023/24 budget. The Tax Base calculations are summarised in **Appendix 2**.

Council Tax Policy

- 12.20 Members will recall that in 2022/23, the Council increased its Council Tax by 3.99% which was comprised of 1.99% for general purposes and 2% for the ASCP (the Council was able to use the 1% ASCP increase it had deferred from 2021/22).
- 12.21 When the 2022/23 budget and MTFs was approved, it was assumed that the maximum increase in Council Tax for general purposes for 2023/24 and future years without the need for a referendum would be 1.99%. There was uncertainty as to whether the Government would permit an ASCP hence this was not included at that time (subsequently there was confirmation that a 1% increase could be applied).
- 12.22 The AS22 advised of further flexibilities, confirmed in the subsequent Policy Statement and the PLGFS, permitting a further 1% increase for Council Tax for general purposes each year from April 2023 – to a maximum of 3% and also a further 1% increase for the ASCP each year from April 2023 – to a maximum of 2%. Therefore, the maximum increase without the requirement to hold a Council Tax referendum for both 2023/24 and 2024/25 is 4.99%. The Government assumes in its calculations that Authorities will increase Council Tax by the maximum allowed.
- 12.23 Consideration has been given to the approach to Council Tax for 2023/24 and 2024/25 having regard to the information set out at 12.22. Members are therefore proposing to revise the Council Tax policy and increase Council Tax by 3.99% reflecting:
- An increase of 1.99% to Council Tax for general purposes
 - An increase of 2% for the ASCP

This increase is still provisional at this stage and will only be finalised at the Budget Council meeting of 1 March 2023.

Council Tax Income – General Purposes

- 12.24 As advised above, when the original estimates were prepared for 2023/24, it was assumed that the Council Tax Tax Base would increase from 57,450 to 57,943 Band D equivalents. However, the approved Tax Base has now increased to 58,500 with a further increase of 500 for 2024/25.
- 12.25 The net effect of the revision to the Tax Base combined with the anticipated 1.99% general purposes increase to Council Tax is an increase of Council Tax income to £94.121m for 2023/24 and £97.113m for 2024/25.

Council Tax Income - Adult Social Care Precept

- 12.26 It is proposed that the precept, which has to be highlighted separately on the face of the Council Tax bill, will be increased by the Council by 2% for 2023/24 and 2024/25. This increase will generate an additional £2.096m Council Tax income for 2023/24.
- 12.27 The revenue raised from the ASCP must be ringfenced to support the increased costs of Adult Social Care and to ensure that Councils are using income from the precept for Adult Social Care, Councils are required to publish a description of their plans, including changing levels of expenditure on Adult Social Care and related services which requires sign off from the Council's Chief Finance Officer (the Director of Finance). As advised at para 8.2 (h), the planned increased spending on Adult Social Care for 2023/24 is £16.478m. In total the Council expects to collect a cumulative sum of £14.874m from the ASCP in 2023/24.
- 12.28 The Government has confirmed that the threshold for ASCP increases is also at a maximum of 2% for 2024/25. The estimates in this report assume that this flexibility will be taken to support increased spending in Adult Social Care in 2024/25 (currently estimated at £4.108m).

Council Tax Levels for 2023/24

- 12.29 As Members will only be making decisions in relation to Council Tax levels for 2023/24, this section of the report only presents 2023/24 Council Tax information.
- 12.30 Taking into account the proposals above, Oldham Council Band D Council Tax for 2023/24 is therefore proposed at £1,863.16 of which £254.26 relates to the Adult Social Care Precept. This represents an overall increase of 3.99% in Council Tax for Oldham Council services. Table 14 highlights the general purposes Council Tax this will generate together with the ASCP.
- 12.31 As advised previously, the Council Tax for 2023/24 will not be finally determined until the Budget Council meeting on 1 March 2023.
- 12.32 Any changes to the Parish Precepts will be for the respective Parishes to agree.

Relevant Basic Amount of Council Tax

- 12.33 Members are reminded that the Council is required to calculate its Relevant Basic Amount (RBA) of Council Tax to determine whether there is a requirement to hold a referendum about a Council Tax increase above a level that the Government considers excessive.
- 12.34 This “excessiveness” is determined annually and for 2023/24 was detailed in ‘The Referendums Relating to Council Tax Increases (Principles) (England) Report 2023/24 (draft)’ which was published as part of the PLGFS for 2023/24. For Oldham Council, the RBA consists of an increase in the RBA of Council Tax comprising a maximum of 3% for general Council Tax plus 2% for the ASCP.
- 12.35 For Oldham, the 2023/24 maximum Council Tax increase available is 5% (3% for general purposes and 2% ASCP). Therefore any increase below 5% would not be classed as excessive and would not trigger a referendum. The Council Tax intention set out above is therefore not “excessive” and no referendum is required.

Council Tax Reduction (CTR) Scheme

- 12.36 The CTR Scheme (see report elsewhere on the agenda), sets out how the Council supports residents who qualify for assistance in paying Council Tax. Councils are required by statute to put in place a Local CTR scheme. Any changes to the scheme for the year ahead must be considered and approved annually by Council by no later than 10 March of the preceding financial year. The proposed scheme for 2023/24 is unchanged from the 2022/23 scheme. The financial impact of the Council’s proposed scheme is reflected in the Council Tax Tax Base estimates which were approved by Cabinet on 23 January 2023. The Tax Base, in turn, underpins the budget estimates included within this report.

Council Tax Empty Property Discount

- 12.37 The Local Government Finance Act 2012 gave the Council discretion to determine its own discounts for unoccupied and unfurnished properties. From 1 April 2013, the Council provided a discount of 100% for one month followed by a 25% discount for a further five months. It is proposed that from 1 April 2023, the Council will no longer provide any discount for these properties.

Council Tax Empty Property Premium

- 12.38 Following a legislative change in 2018 to the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, the Council currently applies a Council Tax Empty Property Premium of 100% for properties empty and unfurnished for over two years. This policy was introduced from 1 April 2019 to encourage owners of empty properties to bring properties back into use and to help mitigate the impact of reduced Central Government funding.
- 12.39 As part of the revised legislation, Councils were also given the power from 1 April 2020 to introduce additional premiums for properties that have been empty and unfurnished for between five and ten years (200%) and over ten years (300%). Up to 2022/23, the Council had chosen not to adopt this additional increase. However, with effect from 1 April 2023, the Council will introduce a:
- Premium of 200% for properties that are empty and unfurnished for between five and ten years.
 - Premium of 300% for properties that are empty and unfurnished for over ten years.

Additional Council Tax Empty Property Premium and Second Homes

- 12.40 The Government is currently bringing forward the Levelling-up and Regeneration Bill which will give Billing Authorities further flexibility to bring forward the time period under which a premium can be charged on long-term empty properties from two years to one year, together with the introduction of a Council Tax premium of 100% on second homes. This may affect approximately 375 properties in Oldham. The proposed Bill confirms that these amendments will have effect for financial years beginning on or after 1 April 2024 and it does not matter whether the commencement date of the properties becoming vacant, in respect of the amended period of one year provided for in the Bill, began before the Bill actually comes into force.

Impact of Decisions of Precepting Authorities

- 12.41 Whilst the spending decisions of precepting Authorities do not affect the level of resources available to the Council, they do affect the amount of Council Tax that is charged to Oldham citizens. The major preceptor is the GMCA which precept for two components as follows:

Mayoral Police and Crime Commissioner Precept

- 12.42 The PLGFS allows a Mayoral Police and Crime Commissioner Council Tax precept increase of up to £15 for a Band D property for 2023/24 without a referendum. In response to this, on 11 January 2023, the Mayoral Police and Crime Commissioner for Greater Manchester launched a consultation on the precept to be charged for 2023/24 proposing a Band D Council Tax increase at the maximum level of £15. The consultation closes on 25 January after which comments will be considered by the Police, Fire and Crime Panel on 26 January 2023. It is expected that the precept will be formally determined at the GMCA meeting on 10 February 2023. As the Mayor's approach has not been finally determined, for reporting purposes, the precept is shown as remaining at the 2022/23 value of £228.30.

Mayoral General Precept (including Fire Services)

- 12.43 The Mayor will also propose the Mayoral General Precept on 10 February 2023 (this will incorporate funding for Fire and Rescue Services as well as other Mayoral functions). The PLGFS advised that there is no cap on a Mayoral General Council Tax increase but increases to the precept for Fire Services are capped at £5 for a Band D property without a referendum. Again, the Mayor's intention has yet to be determined so at this stage the only position that has been assumed is an unchanged precept from 2022/23, at a value of £102.95.

Parish Precepts

- 12.44 Parish Precept income is collected by the Council on behalf of the Saddleworth and Shaw and Crompton Parish Councils. This is then paid to the Parish Councils and this income and expenditure is included in the net revenue budget of the Council. These precepts are included on the Council Tax bills of properties falling within these parish areas. The revenue collected is for the benefit of each parish and thus has no impact on the financial projections presented in this report. At this stage no change in Parish Precepts has been assumed.
- 12.45 Saddleworth and Shaw & Crompton Parish Councils are due to agree their budgets and precepts imminently. At present no change is assumed in the level of precept.
- 12.46 The Parish Precept income will however increase slightly as a result of an increase in respective Council Tax Tax Bases. This change will generate extra Parish Precept at a value of £0.003m for Saddleworth Parish Council and £0.001m for Shaw Parish Council.

Council Tax to be Used to Support the 2023/24 Budget

Council Tax

- 12.47 Subject to confirmation from all precepting bodies, taking account of the Council Tax Base of 58,500 for 2023/24 and the Council Tax and Adult Social Care Precept proposals, the sums anticipated to be drawn from the Collection Fund for Council Tax in 2023/24 are as shown in the table below.

Table 14 – Draw down on Collection Fund

Precepting Body	2023/24 £000
Oldham Council including Social Care Precept (subject to confirmation)	108,995
Mayoral Police and Crime Commissioner Precept (subject to confirmation)	13,356
Mayoral General Precept (including Fire Services) (subject to confirmation)	6,023
Saddleworth Parish Council (subject to confirmation)	218
Shaw & Crompton Parish Council (subject to confirmation)	100
TOTAL	128,692
Less: contribution from Parish Taxpayers	(318)
TOTAL Draw on Collection Fund for Major Preceptors	128,374

- 12.48 The 2023/24 Band D Council Tax is shown in the table below at anticipated levels for Oldham Council services, Mayoral Precepts and Parish Precepts. These will clearly change as the budget setting processes of each organisation develop.

Table 15 - Anticipated Band D Council Tax

Council Tax Raising Body	2022/23 £	2023/24 £	Change %
Oldham Council (subject to confirmation)	1,791.68	1,863.16	3.99%
Mayoral Police and Crime Commissioner Precept (subject to confirmation)	228.30	228.30	0.00%
Mayoral General Precept (including Fire Services) (subject to confirmation)	102.95	102.95	0.00%
TOTAL BAND D COUNCIL TAX	2,122.93	2,194.41	
Saddleworth Parish Council (subject to confirmation)	24.31	24.31	0.00%
Shaw & Crompton Parish Council (subject to confirmation)	17.89	17.89	0.00%

13 Collection Fund

- 13.1 The Collection Fund is a statutory fund held separately from the General Fund of the Council. Due to the impact of COVID-19 and the reduction in both Council Tax and Business Rates collection, the Government, in 2020/21, passed legislation that required Councils to spread any deficit of the Collection Fund in that year over the next three years. This was applied to both Council Tax and Business Rates and was incorporated into the regulatory process of estimating the Collection Fund deficits in January 2021. This meant that 2020/21 Collection Fund deficits would still be recovered but over a longer time period.
- 13.2 After applying this approach, a deficit of £2.370m was to be recovered from the Collection Fund in 2023/24, with the Council element totalling £2.192m (the Council deficit was made up of a deficit of £0.927m for Council Tax and £1.265m for Business Rates). Due to the better than expected level of both Council Tax and Business Rates income collection (as outlined below), there is now no need to recover the Collection Fund Deficit in 2023/24. This was included in the budget position reported to Cabinet in December 2022 and therefore remains unchanged.
- 13.3 As Collection Fund balances remain in surplus, as advised in the month 8 financial monitoring report elsewhere on the agenda, it has been assessed that all of the surpluses in both Council Tax and Business Rates can be drawn down to support the 2023/24 budget setting process as shown in the table below. This gives a net one off benefit of £4.130m for the Council. As shown, the overall surplus is higher but the major preceptors are entitled to a share.
- 13.4 The position reported to Cabinet in 12 December 2022 advised that the surplus that could be drawn would support the 2023/24 budget by £5.150m. The position has therefore been revised down by £1.020m to £4.130m as a result of a range of changes to Collection Fund assumptions.

Table 16 – Collection Fund Summary

	Council Tax £000	Business Rates £000	Total £000
2020/21 General Collection Fund Deficit anticipated within the original estimates	927	1,265	2,192
2022/23 General Collection Fund Surplus to be drawn down	(975)	(5,396)	(6,371)
Collection Fund Impact 2023/24	(48)	(4,131)	(4,179)

	Council Tax £000	Business Rates £000	Total £000
Share - Oldham Council	(40)	(4,090)	(4,130)
Share – Greater Manchester Combined Authority Mayoral Police and Crime Commissioner	(5)	-	(5)
Share – Greater Manchester Combined Authority Mayoral General Precept (including Fire Services)	(3)	(41)	(44)
Total (Surplus)	(48)	(4,131)	(4,179)

14 Review of 2021/22 and 2022/23 Budget Reduction Proposals

- 14.1 The Revenue Budget Reports for both 2021/22 and 2022/23 included approved Budget Reductions that had future years impacts, running up to the 2025/26 financial year.
- 14.2 As previously reported to Cabinet on 12 December 2022, a review of these budget reductions has taken place which resulted in the withdrawal of an approved budget reduction (Autism Youth Club at a value of £0.012m) and a significant reprofiling of the anticipated benefits linked to the Creating a Better Place programme.
- 14.3 The impact of the above and the consequent revision to already approved budget reductions across each relevant year are summarised in the table below. This position is unchanged from the position reported to Cabinet in 12 December 2022. The full list of previously approved budget reductions are shown at **Appendix 3**:

Table 17 – Summary of Budget Reduction Proposals Approved in 2021 and 2022

	2023/24 Revised £000	2024/25 £000
2021/22 Approved Budget Reductions	(4,922)	(300)
2022/23 Approved Budget Reductions	(1,895)	(1,150)
Revisions / Reprofiling of Approved Budget Reductions	3,162	(4,250)
TOTAL	(3,655)	(5,700)

15 Flexible Use of Capital Receipts

- 15.1 The Government confirmed after the 2022/23 budget was set that the ability to use capital receipts to support the cost of transformational activities, the 'Flexible Use of Capital Receipts', will continue in 2023/24 and 2024/25. Transformation is a key element of the Council's MTFS and therefore the budget projections include £2.600m of capital receipts to support such transformational activity in both 2023/24 and 2024/25. This position is unchanged to that reported to Cabinet in 12 December 2022.
- 15.2 The Flexible Use of Capital Receipts Strategy is included as Annexe D of the Capital Strategy report which can be found elsewhere on the agenda.

Table 18 – Flexible Use of Capital Receipts

	2023/24 £000	2024/25 £000
Flexible use of Capital Receipts 2023/24 and 2024/25	(2,600)	(2,600)

16 Revised Budget Reduction Requirement

- 16.1 As previously highlighted, the result of these revisions to estimates is that compared to the position reported to Members on 12 December 2022, the budget reduction requirement has reduced from £27.975m to £20.377m for 2023/25 and from £14.575m to £9.512m for 2024/25. However, these positions included an assumed use of reserves. The use of reserves is always the last element presented when balancing the budget, hence the requirement to use the Net Gap / Budget Reduction Requirement before the Use of Reserves as the starting point from which to balance the 2023/24 budget and to show the final position in relation to the budget for 2024/25.
- 16.2 Therefore the table below presents the outstanding balances to be addressed of £29.276m for 2023/24 and £13.445m for 2024/25 before adjusting for the use of reserves as approved at the 12 December 2022 Cabinet meeting. The full budget position is also attached at **Appendix 4**.
- 16.3 Sections 17 and 18 of the report show how the budget for 2023/24 is balanced using firstly budget reductions and then the use of reserves. The revised 2024/25 position is also presented.

Table 19 – Revised Budget Reduction Requirement

	2023/24 Cabinet (12 Dec 2022) £000	2023/24 Further Revisions £000	2023/24 Final Position £000	2024/25 £000
2022/23 Net Revenue Budget	250,517		250,517	274,064
Total Adjustments to the Base Budget	12,044		12,044	8,600
Total Expenditure Adjustments	47,106	(1,193)	45,913	14,697
Total Impact of Levies, the Statutory Charge and Contributions	(804)	1,925	1,121	2,853
Total Expenditure	308,863	732	309,595	300,214
Total Government Grant Funding	(104,933)	(3,009)	(107,942)	(113,666)
Total Locally Generated Income	(155,650)	(6,342)	(161,992)	(164,803)
Total Collection Fund	(5,150)	1,020	(4,130)	0
Total Funding	(265,733)	(8,331)	(274,064)	(278,469)
Budget Reduction Requirement	43,130	(7,599)	35,531	21,745
Total 2021/22 and 2022/23 Budget Reduction Proposals	(3,655)		(3,655)	(5,700)
Total Flexible Use of Capital Receipts	(2,600)		(2,600)	(2,600)
Net Gap/Budget Reduction Requirement before Use of Reserves	36,875	(7,599)	29,276	13,445

17 Balancing the 2023/24 Budget – 2023/24 Budget Reduction Proposals

- 17.1 Recognising that Budget Reductions would be required to address the 2023/24 and 2024/25 budget position, Cabinet Members have undertaken an in-depth review of their respective Portfolios. This has enabled budget reduction proposals to be identified. These are presented by Cabinet Portfolio in the table below and in summary at **Appendix 5** with the detailed proposals (with an Equality Impact Assessment as appropriate) at **Appendix 6**.
- 17.2 Member support for Portfolio specific proposals has been demonstrated by each budget reduction proforma (BR1) bearing the signatures of the relevant Cabinet Member.
- 17.3 The 45 budget reduction proposals at a cumulative value of £16.313m for 2023/24, a further £6.969m in 2024/25 (and a further £1.135m in 2025/26) with an FTE impact of 7 in 2023/24.
- 17.4 In addition there is a further proposal which would lead to increased Council Tax income in 2024/25, a funding stream which underpins the net revenue budget of the Council. This must therefore be presented separately as rather than reducing the expenditure budget (as for each of the budget reductions) it has the impact of increasing Locally Generated Income.
- 17.5 In total therefore, the impact on the 2024/25 budget is a contribution of £7.575m towards closing the budget reduction requirement for that year.
- 17.6 The table below highlights that if all budget proposals are accepted then the remaining budget reduction requirement is £12.963m for 2023/24 and £5.870m for 2024/25 as shown below.

Table 20 – Summary of Budget Proposals

	2023/24 £000	2024/25 £000
Net Gap/Budget Reduction Requirement before Use of Reserves	29,276	13,445
Portfolio Budget Reduction Proposals		
Regeneration and Housing	(198)	(275)
Finance and Low Carbon	(11,502)	(160)
Culture and Leisure	(24)	(57)
Employment and Enterprise	(73)	(74)
Education and Skills	(311)	(265)
Health and Social Care	(2,320)	(4,825)
Corporate Services	(526)	(554)
Neighbourhoods	(1,349)	(759)
Total Budget Reduction Proposals	(16,313)	(6,969)
Locally Generated Income		
Finance and Low Carbon		(606)
Total Additional Locally Generated Income	0	(606)
Total Budget Proposals	(16,313)	(7,575)
Revised Budget Reduction Requirement after Budget Proposals	12,963	5,870

17.7 However, one of the Corporate Services Budget Reduction Proposals at a value of £4.800m (COR-BR1-633: Reprofiting of the Minimum Revenue Provision) has a one-off impact and there must be an adjustment to the 2024/25 budget to reflect this position. The table below shows that after adjusting for the £4.800m the revised budget reduction requirement for 2024/25 increases to £10.670m.

Table 21 – One-off Budget Reductions – Impact on 2024/25

	2023/24 £000	2024/25 £000
Revised Budget Reduction Requirement after Budget Reduction Proposals	12,963	5,870
Add back one-off Budget Reductions		4,800
Revised Budget Reduction Requirement	12,963	10,670

18 Balancing the 2023/24 Budget – Contributions to and from Reserves

Contribution to Reserves

- 18.1 As advised at Section 12 there is an anticipated benefit to the Council and also the GMCA from participating in the Greater Manchester Business Rates Retention pilot scheme. In order to enable the payment to the GMCA of its share of the benefit (£1.045m), there is a requirement to hold the £1.045m in the Council's reserves until such time as the payment is required. It is therefore necessary to make a contribution to reserves of £1.045m. This increases the budget reduction requirement for 2023/24 to £14.008m and as can be seen at 18.5, also has an impact on the 2024/25 budget.

Table 22 – Transfer to Reserves

	2023/24 £000	2024/25 £000
Revised Budget Reduction Requirement	12,963	10,670
Transfer to Reserve - 100% Business Rates Pilot Gain	1,045	
Revised Budget Reduction Requirement	14,008	10,670

- 18.2 Therefore, after taking into account the transfer to reserves of £1.045m for 2023/24 the revised budget reduction requirement is £14.008m for 2023/24 and remains at £10.670m for 2024/25.

Use of Reserves

- 18.3 The budget for 2023/24 will be balanced by the use of reserves with two reserves being used to support the 2024/25 budget as follows:
- Members will recall that as part of the 2022/23 budget strategy, approved at Council on 2 March 2022, to allow time for transformational change to be implemented, the Council approved the use of £6.000m of general reserves to support the 2023/24 budget and a further £2.500m for 2024/25. In addition, as approved within the Medium Term Financial Strategy 2022/23 to 2026/27, a further £1.432m of reserves are to be used in 2024/25 to support the Mayoral Bus Reform initiative.
 - The use of £2.900m of reserves in 2023/24 was approved by Cabinet on 12 December 2022 to pump prime initiatives in Children's Social Care which are expected to generate efficiencies and budget reductions from 2025/26.
 - As detailed at paragraph 9.3, the Council has received £1.044m from the GMCA with regards to a 2020/21 Waste Disposal Service reserves refund. This money was received in 2022/23 and will be transferred to reserve at the end of the 2022/23 financial year to support the 2023/24 revenue budget (in effect to provide a partial offset to the increase in the GMCA levies for 2023/24).
 - After the use of all specific reserves and all other measures, the table below shows that the 2023/24 balance to be addressed by the use of general reserves is £4.064m.

Table 23 – Use of Reserves

	2023/24 £000	2024/25 £000
Revised Budget Reduction Requirement	14,008	10,670
General Use of Reserves 2023/24 (Approved 2022/23 Budget)	(6,000)	
General Use of Reserves 2024/25 (Approved 2022/23 Budget)		(2,500)
Specific use of Reserves to support Bus Reform in 2024/25 (Approved 2022/23 Budget)		(1,432)
Children’s Social Care Investment	(2,900)	
Use of Returned GMCA Waste Disposal Reserves	(1,044)	
Additional General Use of Reserves - Required to balance 2023/24	(4,064)	
Total Use of Reserves	(14,008)	(3,932)
Revised Budget Reduction Requirement	0	6,738

18.4 The overall use of reserves to balance the budget in 2023/24 is therefore £14.008m, although this is offset by the contribution to reserves of £1.045m which nets the total use of reserves to £12.967m.

Impact of the Use of Reserves on the Estimates for 2024/25

18.5 The use of reserves to support the 2023/24 budget has an impact on the budget reduction requirement for 2024/25. This is more complex when presenting a two year budget as the use of or contributions to reserves that were approved within the budget setting arrangements for 2022/23 have already been incorporated into the 2023/24 and 2024/25 budgets. There is therefore a need to reflect the use of reserves that have been introduced in the latter stages of the budget process that have an on-going impact into 2024/25. There are three items that impact on a recurrent basis (the £2.900m investment in Children’s Social Care has a one-off impact). These are shown in the table below and have the impact of increasing the budget reduction requirement for 2024/25 that has yet to be addressed to £10.801m as shown at Table 24.

Table 24 – Impact of 2023/24 Contributions to/from Reserves on the 2024/25 Budget

	2023/24 £000	2024/25 £000
Revised Budget Reduction Requirement	0	6,738
Transfer to Reserve - 100% Business Rates Pilot Gain		(1,045)
Share of GMCA Waste Disposal Reserves		1,044
Additional General Use of Reserves - Required to balance 2023/24		4,064
Revised Budget Reduction Requirement after Reserves	0	10,801

Summary Budget Position

- 18.6 If the proposals in this report are approved, it results in a balanced revenue budget position for 2023/24 and a forecast Net Gap / Budget Reduction Requirement for 2024/25 at a value of £10.801m as summarised in the table below and set out in detail at **Appendix 7** resulting in a Net Revenue Expenditure Budget (Total expenditure, less budget reductions and flexible use of capital receipts) of £287.027m for 2023/24.
- 18.7 The indicative 2023/24 net revenue budget, assuming that the adjustments contained in this report are agreed, is presented at **Appendix 8**. The format mirrors the reporting structure presented to Members in financial monitoring reports.

Table 25 - Summary Budget Position

	2023/24 Cabinet (12 Dec 2022) £000	2023/24 Further Revisions £000	2023/24 Final Position £000	2024/25 £000
2022/23 Net Revenue Budget	250,517		250,517	274,064
Total Adjustments to the Base Budget	12,044	0	12,044	17,463
Total Expenditure Adjustments	47,106	(1,193)	45,913	14,827
Total Impact of Levies, the Statutory Charge and Contributions	(804)	1,925	1,121	2,853
Total Expenditure	308,863	732	309,595	309,207
Total Government Grant Funding	(104,933)	(3,009)	(107,942)	(113,666)
Total Locally Generated Income	(155,650)	(6,342)	(161,992)	(165,539)
Total Collection Fund	(5,150)	1,020	(4,130)	0
Total Funding	(265,733)	(8,331)	(274,064)	(279,205)
Budget Reduction Requirement	43,130	(7,599)	35,531	30,002
Total 2021/22 and 2022/23 Budget Reduction Proposals	(3,655)		(3,655)	(5,700)
Total Flexible Use of Capital Receipts	(2,600)		(2,600)	(2,600)
2023/24 Proposed Budget Reductions		(16,313)	(16,313)	(6,969)
Total Use of Reserves	(8,900)	(4,063)	(12,963)	(3,932)
Net Gap/Budget Reduction Requirement	27,975	(27,975)	0	10,801

- 18.8 It is acknowledged that the 2023/24 revenue budget is underpinned by the deployment of reserves and that this is not sustainable in the medium term. However, the Council is committed to delivering its Transformation Programme to support the revenue budget in future years. This is set out in more detail in the MTFS section of this report which can be found at Section 22.
- 18.9 It is important to note that, as highlighted throughout the report, a number of issues have yet to be confirmed so the position could change. It is not expected that there will be any significant variance to the overall position presented. As advised, some grant notifications have not yet received, final levy figures are awaited as well as the Final Local Government Finance Settlement. Although not directly impacting on the budget, the Mayoral and Police and Crime Commissioner precepts will not be confirmed until February. The Budget Council report will therefore present the final position and the Council Tax charges for 2023/24.
- 18.10 The next iterations of this report that will be presented to Cabinet and Council will be amended in line with notifications received.

19 Reserves and Balances

19.1 The forecast year-end Earmarked Reserves position presented below reflects the estimated closing balance for 2022/23 and hence the total reserves available for the financial year 2023/24. However, this is before the proposed use of reserves of £14.008m in 2023/24 as highlighted at paragraph 19.2.

Table 26 – Reserves Position

Earmarked Reserves	2022/23 Opening Balance £000	2022/23 Estimated Closing Balance £000
Adverse Weather Reserve	(1,000)	(1,000)
Balancing Budget Reserve – 2022/23	(20,686)	0
Balancing Budget Reserve – 2023/24	(6,000)	(14,008)
Balancing Budget Reserve – 2024/25	(3,932)	(3,932)
Council Initiatives Reserve	(2,944)	(845)
Directorate Reserves	(2,675)	(3,432)
District Executive Reserves	(560)	(555)
Emergency and External Events Reserve	(2,000)	(2,000)
Fiscal Mitigation Reserve	(20,820)	(26,543)
Insurance Reserve	(10,020)	(5,860)
Integrated Working Reserve	(18,383)	(12,677)
Life Cycle Costs Reserve	(1,643)	(1,568)
Regeneration Reserve	(2,168)	(987)
Transformation Reserve	(6,397)	(5,148)
Total	(99,228)	(78,555)

19.2 Although the estimated level of reserves at the end of 2022/23 is £78.555m, the use of £10.064m of general reserves and £3.944m of specific reserves to underpin the 2023/24 budget (a total of £14.008m), will therefore utilise in full the Balancing Budget Reserve for 2023/24 at the start of the 2023/24 financial year. This will reduce the balance of Earmarked Reserves to £64.547m but with the addition of the £1.045m reserve created to hold Business Rates gains, reserves will be £65.592m on 1 April 2023.

19.3 In addition, a number of these reserves are committed to finance expenditure planned for future financial years meaning they are not available for alternative uses. This includes a further £2.500m to support the revenue budget over 2024/25 plus a further £1.432m for Bus Reform required in 2024/25 and also the:

- Integrated Working Reserve, to enable joint working with NHS partners to support health and social care integration.
- Regeneration Reserve, to facilitate up-front expenditure linked to capital projects including the Creating a Better Place Strategy.
- Transformation Reserve, to facilitate the continuation of existing and implementation of new transformational activity that will support improvements in service delivery as well as create efficiencies and budget reductions.

19.4 It should be noted that, unlike previous years, it is unlikely that will be significant opportunities to establish new reserves at the end of the 2022/23 financial year. As detailed within the Council's Month 8 revenue budget monitoring report (elsewhere on the agenda),

the Council has a projected adverse variance of £2.233m although management action could reduce this by the year end. If there remains a deficit at the year end, it will be met from the use of corporate Earmarked Reserves and this has been assumed in the year end projections. However, if the deficit is fully addressed in year, there may be an opportunity to replenish reserves. Any Earmarked Reserve creation will therefore change the current reserve projections and will not be known until the end of the 2022/23 financial year.

- 19.5 Having regard to all relevant information, it is recommended that the level of General Fund balances required to support the 2023/24 budget remains at £20.012m. Under Section 25 of the Local Government Act 2003, the Chief Finance Officer is required to prepare a statement on the adequacy of proposed financial reserves and the robustness of the budget estimates and this is included at Section 20 and at **Appendix 9** to this report. Members are also reminded that all budget proposals have been subject to a risk assessment undertaken by the Director of Finance.

20 Statement of Robustness

- 20.1 In order to comply with Section 25 of the Local Government Act 2003; the Authority's Chief Financial Officer (the Director of Finance) is required to report on the robustness of the estimates made for the purposes of the revenue budget calculations and the adequacy of the proposed reserves. It also reports on the Director of Finance's consideration of the affordability and prudence of capital investment proposals. The level of general balances to support the budget and an appropriate level of Earmarked Reserves maintained by the Council in accordance with the agreed Council Policy on Earmarked Reserves, are an integral part of its continued financial resilience supporting the stability of the Council.
- 20.2 The agreed Council approach adopted is to use a risk-based approach based upon a number of areas of risk. These areas of risk and a summary of the General Fund balance calculation can be found at Appendix 8. This calculation has confirmed that the General Fund Balance will remain at £20.012m for 2023/24, but may increase to £20.068m for 2024/25 and increase to £20.234m for 2025/26 to 2027/28.
- 20.3 Whilst the Council is utilising a number of reserves to support the 2023/24 revenue budget and anticipates a use of reserves in 2024/25, Members can be assured that Oldham Council currently remains financially resilient. Work is taking place to address the on-going financial pressures that the Council is facing. At the start of 2023/24 it will continue to be well placed to meet the difficult financial challenges ahead. However, this strategy relies on the delivery of the transformation programme over the short to medium term.
- 20.4 In conclusion, the Chief Finance Officer is able to advise Members of the robustness of the estimates and the affordability and prudence of capital estimates 2023/24. Despite the use of reserves over recent years, the level of reserves remains adequate to support the 2023/24 financial position and demonstrates financial resilience. However, this is only the case provided that the balances are set at the level of £20.012m for 2023/24 as calculated and shown in Appendix 9 to this report and that all budget options, or in year alternatives, are monitored closely and delivered as planned.

21 Fees and Charges

21.1 Attached at **Appendix 10** is the proposed fees and charges schedule for the 2023/24 financial year. Consideration has been given as to whether charges should be increased, reduced or left unchanged in the context of each service. In determining their proposals, Members have considered whether:

1. charges need to increase to keep pace with service specific cost pressures and inflation in order to avoid creating a future budget pressure;
2. proposals support the long-term sustainability and viability of services which rely on a significant proportion of fee income to cover service costs;
3. increased charges are necessary to mitigate overspends or alternatively support the delivery of budget reduction proposals;
4. the market can bear any additional increase; and
5. fee increases could be counter-productive as they have the potential to reduce demand or have wider adverse implications.

21.2 For the majority of charges, a range of increases are recommended primarily to cover anticipated pay and price pressures. It should be noted that the Consumer Prices Index (CPI) for November 2022 was 10.7%, with Retail Price Index (RPI) at 14.0%. Where charges are not increasing, this is largely for the reasons set out at paragraph 21.1 (points 4 or 5) but may also be because some charges are determined under separate Statutory arrangements.

21.3 Where proposals have been put forward to increase charges, this is deemed necessary to support the long-term sustainability and viability of specific services or to deliver several proposed revenue budget reductions and to reflect cost pressures in providing services. If charges were not increased, above-inflation increases would be needed in future years to recover real terms income losses. The impact of fees and charges increases have therefore been included within the budget estimates or budget reduction proposals.

21.4 Below is a brief summary of the fees and charges proposals for each service:

Registrars (Births, Deaths and Marriage Duties)

21.5 It is proposed that in this service area, charges for discretionary services are typically increased by 10%. A small number of discretionary charges have been left unchanged due to low demand/uptake.

Libraries, Leisure and Culture

21.6 The Libraries, Leisure and Culture discretionary charges for services are typically proposed to be increased by 10%. A small number of discretionary charges have been left unchanged due to low demand/uptake. The significant exception to this is music fees, which are proposed to increase by 6% because a larger increase poses a significant risk to income yield in that a significant number of parents will withdraw their children from the service.

Outdoor Education

21.7 Outdoor education services have been the subject of a detailed review so as to align charges with the cost of provision. Whilst residential charges services are typically proposed to be increased by 10%, increases proposed in respect of activities are significantly higher. Conversely, a small number of discretionary charges have been left unchanged due to low demand/uptake. The proposed pricing structure is based on market research: other Local Authorities, community interest companies and commercial providers.

Lifelong Learning

- 21.8 Lifelong Learning discretionary service charges are typically proposed to be increased by 10%. A small number of discretionary charges have been left unchanged due to low demand/uptake.

Revenues & Benefits

- 21.9 Oldham currently charges £75.00 and £91.50 when summonses to the Magistrates Court are issued for Council Tax and Business Rates non-payment. This is the lowest in Greater Manchester (average being £86 and £116 respectively). These charges have remained unchanged for a number of years. It is proposed to increase these fees by 10% reflecting the increased costs being faced, following which Oldham will still have amongst the lowest charges in Greater Manchester and the Northwest.

Adult Social Care

- 21.10 A 10% increase is proposed for housing and care and Adult Social Care services. No changes are proposed for services associated with the protection of property as these are already amongst the highest in Greater Manchester. Court of Protection fees remain unchanged at present, but these will be determined in line with Statutory provisions.

Corporate Landlord/Facilities Management

- 21.11 A 10% increase is typically proposed for corporate landlord and facilities management services. A number of new fees have been introduced for renumbering/renaming of properties.

Parking

- 21.12 Increases in parking charges are proposed for the financial year 2023/24 of the order of 10%, subject to rounding to the nearest 10 pence.

School Meals

- 21.13 School meal charges for children are currently £2.70. It is proposed that charges remain at the same level for 2023/24.

Parks, Open Spaces and Outdoor Facilities

- 21.14 For the 2023/24 financial year, a general 10% increase is proposed for parks, open spaces and outdoor facilities.

Cemeteries and Crematorium

- 21.15 Increases for 2023/24 are proposed for cemeteries and crematorium charges in of the order of 10%, subject to rounding to the nearest pound.

Highways

- 21.16 A 10% increase in highways charges is proposed for 2023/24.

Planning

- 21.17 For 2023/24, it is proposed that there is a 10% increase in planning charges.

Public Protection

- 21.18 A 10% increase is proposed in charges associated with Food Safety, Environmental Health, Health and Safety, Neighbourhood Enforcement, Housing, Public Health, Animal Health and Taxi Licencing. Some increases vary from this amount due to rounding to the nearest pound or £5 as appropriate. The increase proposed for some Pest Control fees is 5%, in order to remain competitive in the marketplace. The fees for some domestic Pest Control services are to be removed. Betting and Adult Entertainment Licence fees remain unchanged as charges are capped by legislation.

Security

- 21.19 It is proposed that security charges are increased by around 3%, in order to remain competitive in the marketplace.

Waste and Fleet Management

- 21.20 Increases are proposed of the order of 10% for waste and fleet management services, subject to rounding to the nearest pound or £5 as appropriate.

Summary

- 21.21 Most services are proposing fee increases by 10% for 2023/24 in order to maintain income levels in real terms. This is in the context of general price inflation which is currently in excess of 10% (as measured by the CPI). Whilst, in some instances, zero or lower increases are proposed, applying this approach across most or all services is likely to increase the existing budget reduction requirement.

22 Budget Strategy and Medium Term Financial Planning for Future Years

- 22.1 As has been outlined in earlier sections of the report, the Council has prepared a budget strategy which concentrates on the financial years 2023/24 and 2024/25. The plans to address in full a £29.276m budget reduction requirement for 2023/24 have been outlined. Budget Reduction proposals have been identified totalling £7.575m for 2024/25 and £1.135m for 2025/26 which go part way to addressing the budget reduction requirement for those years.
- 22.2 However, the Council continues to face considerable financial uncertainty. Whilst the 2024/25 budget projections have been prepared having regard to indicative information included within AS22 and the Policy Statement, there is no such information on which to base funding estimates for the years beyond this. However, in line with previous practice, the MTFS has been prepared to cover a five year period, extending to 2027/28. The later years will be covered by a new Spending Review period, and it is therefore a challenge to project the value of Government grant funding for 2025/26 to 2027/28.
- 22.3 Whilst local developments can be anticipated to some degree, the impact of national and international events cannot be predicted. As has been evidenced over recent years, the impact of previously unimaginable events such as a global pandemic and a European war has significantly changed the economic environment in which the Council operates. Both these issues and others have had an impact on the financial position in 2022/23 and influenced the budget reduction requirement for 2023/24 and all future years covered by the MTFS.
- 22.4 Adult Social Care reforms as outlined in Building Back Better/People at the Heart of Social Care White Papers were deferred by AS22 but are expected to be reintroduced from 2025/26. At this stage these are assumed to have a neutral impact (increased expenditure/reduced income offset by increased grant), however, the implications will become clearer as further detailed policies are published and developed.
- 22.5 Having regard to all the uncertainty, the Council's priority is therefore to stabilise the financial position and ensure its continued financial resilience over the medium term.
- 22.6 Estimates upon which the MTFS is based are prepared using the best information currently available but remain under continuous review. The local, regional, and national policy landscapes continue to develop and change. In addition, existing financial challenges are subject to revision as new issues emerge. Each new issue or change has an impact, sometimes on a one-off basis, but more commonly, a multi-year effect. Therefore, as soon as the 2023/24 revenue budget has been finalised, the cycle of reviewing and updating the budget reduction requirement for 2024/25 and future years will begin again.
- 22.7 Having been subject to a decade of severe funding reductions prior to the pandemic, increased demand pressures and from 2022/23 significant inflationary pressures, the Council has successfully managed to balance its 2023/24 budget whilst simultaneously protecting service provision as far as possible. However, to achieve this, since 2017/18, there has been an increase in the use of one-off measures, including the use of reserves utilised to balance the budget.
- 22.8 As this section of the report highlights, there are still significant budget reduction targets over the MTFS period. As the next financial planning cycle progresses, a key task will be to ensure that the suggested level of saving remains deliverable and that there are sufficient robust budget reduction proposals being prepared to contribute to addressing the target.
- 22.9 One of the impacts of the COVID-19 pandemic has been the delay to taking forward the Council planned programme of transformational change as the focus of attention was to

deal with the immediate challenges. Nonetheless, work has taken place in developing a refreshed programme which will be the focus of this financial strategy. The budget estimates already include £3.932m of reserves to support the 2024/25 budget of which £2.500m has been included to smooth the implementation of the Transformation Programme.

- 22.10 Other reserves are available (including the Transformation reserve, the Integrated Working reserve and the Children's Services) reserve to allow time for the development and implementation of the next phases of the agenda for transformational change.
- 22.11 However, the budget reduction requirement for future financial years in part reflects the use of planned one-off savings and measures including the use of reserves and flexible use of capital receipts that are being used to balance the 2023/24 revenue budget and support the 2024/25 budget position. It is essential that robust and deliverable budget proposals are developed, approved and implemented successfully.

Policy Landscape Surrounding the Development of the Medium-Term Financial Strategy

National Context

- 22.12 As has previously been advised, there are a number of key external factors beyond the control of the Council which have influenced budget setting for 2023/24 and future years. These include:
- a) the legacy of COVID-19 which has disrupted international trade, particularly as China remained in partial lockdown until very recently and this has reduced the supply of goods and materials;
 - b) the inflationary pressures caused by a range of issues including (a) above, the war between Russia and Ukraine and the disruption to trade with the European Union (EU) resulting from Brexit. These have impacted on energy and general commodity prices and had a knock on effect to the general cost of living sparking wage inflation; and
 - c) changes within Central Government which led to significant increases in interest rates and the cost of borrowing and the consequent actions to economic turbulence.
- 22.13 In this regard, the overarching challenge in preparing the MTFs is that Government policy and on-going funding levels are difficult to predict as there will be a new Spending Review period beginning from 2025/26 and the Government has already indicated that its aim would be to restrain public expenditure as one of the key strategies to steady the financial position of the country. This could mean limiting future financial support for Local Government.
- 22.14 The potential uncertainty in general Government grant adds to the challenge of developing and providing medium-term financial forecasts. Therefore, whilst this section of the report presents forecast budget reduction requirements for the period 2024/25 to 2027/28, Members must consider these forecasts as indicative only and could be subject to significant change as more detail on each area emerges.

Oldham Context

- 22.15 The Council's programme of transformational change which, whilst interrupted during 2020, 2021 and early 2022 due to the impact of the pandemic on capacity, has progressed but been refreshed during 2022.
- 22.16 The programme of transformation is supported by a range of existing medium-term strategies which are designed to make a positive contribution to the Council's financial standing as well as supporting the ambitions for the Borough including those linked into regenerating the Borough.

22.17 Specific themes underpinning the transformational change programme within the MTFS are presented in Section 23 of this report.

Forecast Budget Estimates and Budget Reduction Requirements

Risks and Uncertainties

22.18 There are a vast range of risks and uncertainties influencing the MTFS. Some key issues are set out below:

- Underpinning the MTFS is that the economic turbulence experienced in 2022 has been brought under control and whilst the legacy of this and other issues beyond the influence of the Council have an impact on financial projections, the Government's actions have been enough to bring some stability. There is a risk that issues may re-emerge. An adequate level of reserves and balances is therefore an essential element of the strategy to manage potential future challenges.
- The MTFS is based around the reduction in cost pressures as inflation is expected to fall from the financial year 2023/24. Whilst current economic forecasts confirm this, unforeseen events could very quickly change the position.
- There are other partner organisations such as the GMCA impacted by the increased cost of inflation. No specific assumptions have been made as to GMCA passing on any additional costs to Oldham and the other GM District Councils.
- The Council must focus appropriate resources to deliver future transformational change and the delivery of such change is a key assumption in the financial strategy. The position will require constant review, however, the programme management arrangements that the Council has established will provide an early warning if challenges are encountered.
- Whilst the MTFS estimates reflect a series of assumptions relating to inflation levels, pay awards, interest rates, service demand, levy increases, general Government funding, locally generated funding and the profile of capital programme investment, there is scope for significant variation due to the challenge of preparing forecasts for all these variables in what remains a turbulent and uncertain global political and economic environment.
- The MTFS estimates also assume that beyond 2023/24 the income maximisation strategy of the Council together with the regeneration agenda creating economic and business growth as well as new housing will increase both the Council Tax and the Business Rates income. Whilst it is anticipated that this approach will be successful, it is not without risk.
- There are specific challenges in forecasting Business Rates income due to general volatility surrounding Business Rates income, the impact of the current economic position on the certainty for business investment/future growth, the ability of certain business sectors to bounce back from the current recession, the number of appeals (particularly linked into the 2023 revaluation) and the continued changes in Government policy around Business Rates reliefs. The forecasts are subject to constant review and are prepared using most recent information.
- The medium-term financial position of the Council will also be affected by future decisions about Council Tax and fees and charges increases.

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- It is assumed that there will be no major Government policy initiatives which place a significant financial burden on the Council without a matching funding stream. In this regard it is expected that Adult Social Care reform will fully resume from 2025 but the MTFS assumes this will be funded by Central Government resources. The availability of Government funding is far from certain.
 - The Council has developed close working arrangements with partner organisations and actively embraced the health and social care integration agenda. The recently implemented reforms to the NHS, have created some temporary uncertainty around future operating arrangements and highlight how external events can impact on established working arrangements. However, the Council and partners will be taking advantage of the opportunities that the new NHS organisational arrangements are providing.

22.19 In view of the significant risks and uncertainties surrounding the medium-term indicative financial estimates, the assumptions and calculations underpinning these forecasts will be regularly reviewed and updated.

Forecast Budget Reduction Requirements and Underlying Budget Assumptions (2024/25 to 2027/28)

22.20 Summarised in Table 27 is the forecast budget reduction requirement for the period 2024/25 to 2027/28. Although 2024/25 has been included within the focused two year budget earlier in this report, there still remains an unaddressed budget reduction requirement of £10.705m. The starting point for the assumptions is:

- a prior year net budget of £274.064m for 2024/25,
- £279.205m for 2025/26,
- £283.349m for 2026/27; and
- £287.932m for 2027/28.

22.21 The starting position has then been adjusted for the expenditure and funding assumptions detailed below to determine the net budget requirement. This assumes all 2023/24 and 2024/25 budget reduction and income generation proposals presented elsewhere in this report are approved and implemented in full. The key assumptions in determining the forecast budget position for 2024/25 are presented earlier within this report. The key assumptions underpinning the estimates for 2025/26 to 2027/28 are presented as follows:

Expenditure Assumptions for 2025/26 to 2027/28

Reversal of the Use of One Off Measures from previous years

- 22.22 The 2024/25 budget includes the use of £2.600m of Capital Receipts to offset the revenue costs of transformational projects that deliver future on-going revenue savings for either the Council or other public sector delivery partners. As this is a one-off initiative, an amount of £2.600m must be added to the financial pressures for 2025/26. In addition, adjustments must also be made for the one-off use of reserves for on-going services of £2.500m previously agreed as part of the 2022/23 budget setting process.

Pay Inflation

- 22.23 The MTFS assumes a pay increase of 3% for staff in each of the financial years 2025/26 and 2026/27, reducing to 2% for the 2027/28 financial year to align with sector expectations for inflationary increases.

Contractual, Service and Energy Inflation

- 22.24 As seen earlier within the report, inflation has risen significantly for 2023/24, however, to align with Government expectations this is expected to reduce over the remainder of the MTFS period. These expectations have formed the basis for contractual, service and energy inflation for the years 2025/26 to 2027/28. It has been assumed that contractual inflation will remain cash flat from 2026/27 onwards, with energy inflation estimated to remain at 2023/24 levels over the MTFS period and therefore not requiring a budgetary uplift. Overall, the increases for these inflationary items are estimated to be £1.500m in 2025/26, £1.000m in 2026/27 and £1.000m in 2027/28.

Adult Social Care Demographics and other Cost Pressures

- 22.25 Within the MTFS it is assumed that the impact of Adult Social Care demographics will continue be a pressure and that other pressures including the commitment to financing the increase in the Living Wage Foundation National Living Wage for paid social care workers will result in cost pressures of £2.865m for 2025/26, £2.921m for 2026/27 and a further £2.979m for 2027/28.

Adult Social Care – Introduction of Adult Social Care Reforms

- 22.26 As detailed within Section 3.6 of this report, the AS22 announced the deferral of the introduction of the social care cap and the Fair Cost of Care reform until 1 October 2025 although Councils are expected to continue work on this area in advance of this introduction. The Council has been working on the implementation of these reforms in 2022/23, and based upon current knowledge it is anticipated that costs will increase for the Council at a value of an additional £1.000m for each financial year being included for 2025/26 to 2027/28 with corresponding grant income being received.

Home to School Transport

- 22.27 The MTFS estimates include an additional £0.250m for each of the financial years 2025/26 to 2027/28 to reflect anticipated increased costs for the Home to School Transport service.

Children's Social Care

- 22.28 Included earlier within the report are details on the additional one-off investment the Council has made into Children's Social Care for 2023/24 to enable the service to rebase its budget and address the pressures that it currently faces. Alongside this investment, an additional sum of £2.900m pump priming monies funded by reserves was included within the 2023/24 budget to fund transformational activity. It is assumed that this transformational activity will generate revenue budget reductions. Further information on these savings are detailed in Section 23.25, however, the total cumulative budget reductions are £2.186m in 2025/26, £3.479m in 2026/27, £4.477m in 2027/28 and £5.772m in 2028/29. The total investment of £14.700m is anticipated to be sufficient to enable the service to address current and future pressures and therefore no additional budgetary requirements have been included within the MTFS for 2025/26 to 2027/28.

Investment Fund

- 22.29 The Investment Fund presents the revenue cost of financing the Capital programme where the Council has had to undertake additional prudential borrowing to support capital expenditure. The 2025/26 to 2027/28 budget assumes an increase of £4.500m in 2025/26, £3.500m in 2026/27 and £3.500m in 2027/28. The capital programme is detailed in the capital strategy report included elsewhere on this Agenda.

Employer Pension Contribution Rate Reduction

- 22.30 Included within this report at Section 8.2 (n), the Greater Manchester Pension Fund advised that based on the latest actuarial valuation, the employers pension contribution rates for the period 2023/24 to 2025/26 will produce a benefit to the Council at a value of £1.500m. It is assumed that after this period, pension contribution rates will return to their former level and as such, £1.500m has been included within the MTFS estimates for 2026/27.

Cessation of Pension Prepayment Flexibility

- 22.31 For the period 2020/21 to 2022/23, the Council made an up-front payment of its employer's pension contributions to the Greater Manchester Pension Fund to generate a revenue budget reduction. Although this flexibility will be available in 2023/24, it is assumed that this will not be pursued. The funds not being pre-paid will generate additional interest for the Council of £0.150m in 2023/24, reducing to £0.075m in 2024/25. Estimates assume that this will reduce by a further £0.075m in 2025/26.

Exceptional Hardship Payment Scheme

- 22.32 Mindful of the pressures being experienced by some households, the funding for the Exceptional Hardship Payment Scheme is being increased by £0.130m in 2023/24 so that the Council has more resources available to support those experiencing difficulties paying Council Tax as a result of the cost of living crisis. It is expected that this funding increase is continued into 2024/25 and future years.

Development Fund

- 22.33 Each of the financial years 2025/26 to 2027/28 includes an allocation to facilitate the funding of corporate priority developments that emerge during the budget process in line with political priorities. For each of the financial years over the MTFS period, an additional £3.000m has been included within the estimates.

Parish Precept Expenditure

- 22.34 This is estimated to increase by £0.008m in each of the financial years 2025/26 to 2027/28 offset by increased Parish Precept income.

Levies, the Statutory Charge and Contributions

- 22.35 A review of the estimated levy/ statutory charges by the GMCA (for Waste and Transport Services) and contributions towards regional services and the levy from the Environment Agency has updated the anticipated increase to Levies and Contributions for the financial year 2025/26 to 2027/28. The overall increase is estimated at £1.386m in 2025/26, £1.256m in 2026/27 and £1.293m in 2027/28 and of course will be subject to confirmation by respective external agencies on an annual basis.

Funding Assumptions

Business Rates Top Up

- 22.36 As previously advised, it has been assumed that the current Business Rates Retention piloting arrangements for Greater Manchester will end in the financial year 2024/25. As such from 2025/26 it is assumed the Council will receive a Business Rates Top Up Grant of £41.021m which does not increase over the MTFS period.

Grant in Lieu of Business Rates

- 22.37 It is assumed that an element of the grant the Council receives to compensate for the Business Rates reliefs that the Government has awarded will continue from the financial years 2025/26 to 2027/28. Again, given the movement from 100% to 50% Business Rates Retention, the value of the grant is reduced from that included within the 2024/25 estimates. Members will recall that the current Spending Review period ceases at the end of the 2024/25 financial year and therefore the MTFS estimates assume a cash flat grant of £19.870m for each of the financial years 2025/26 to 2027/28.

Revenue Support Grant

- 22.38 Linked into the changes to Business Rates, the Council will start to receive RSG from the financial year 2025/26 to 2027/28 (it currently does not receive this grant due to piloting 100% Business Rates Retention). As mentioned earlier, the current Spending Review period does not cover the financial year 2025/26 onwards and, as such, it is deemed prudent to assume no inflationary increase for RSG over the remainder of the MTFS period. Therefore, assumptions for RSG are that it will be received at a value of £21.209m for each of the financial years 2025/26 to 2027/28.

Improved Better Care Fund (IBCF)

- 22.39 It is assumed the IBCF will continue for the financial years 2025/26 to 2027/28. It is anticipated that this will remain at the 2023/24 level of £11.188m for these financial years.

Social Care Support Grant

- 22.40 Within the Provisional Local Government Finance Settlement received on 19 December 2022, a number of grants were rolled into the Social Care Support Grant as detailed at Section 10.3 (d). In line with other grant assumptions detailed above, the MTFS includes the estimate for this grant held at the 2024/25 projected value of £24.783m for each of the financial years 2025/26 to 2027/28.

Adult Social Care Reform Grant

- 22.41 As detailed in the present assumptions underpinning the MTFS, it is expected that the implementation of the Adult Social Care Reforms from 1 October 2025 will increase costs for the Council by £1.000m for each of the financial years over the MTFS period. It is assumed that Councils will be compensated with grant for these additional costs and therefore estimates include total grant funding for these reforms at £1.000m for 2025/26, £2.000m for 2026/27 and £3.000m for 2027/28.

Housing Benefit Administration Grant

- 22.42 The Autumn Statement in November 2022 confirmed that the creation of a new housing element of Pension Credit to replace Pensioner Housing Benefit has been delayed to 2028/29 and therefore it is expected that this grant will continue to be received by the Council. However, as numbers of Universal Credit claimants reduce, it is expected that this grant will decrease by £0.014m each financial year. As such, it is estimated that the Housing Benefit Administration Grant for 2025/26 will be received at a value of £0.782m, with £0.768m being received in 2026/27 and £0.754m in 2027/28.

Revenue and Benefits Service New Burdens Grant

- 22.43 The Department of Work and Pensions recompenses the Council for a number of small new burdens in the Revenue and Benefits service which include the cost of additional activities required to support Universal Credit claimants that are living in temporary or supported accommodation and receive their housing costs through Housing Benefit, the migration to Universal Credit and compliance with the single fraud investigation service. In line with the Housing Benefit Administration Grant assumptions that Universal Credit claimants reduce, it is assumed that the grant received by the Council will decrease in value by £0.002m for each financial year. It is assumed that £0.007m will be received in 2025/26 with £0.005m in 2026/27 and £0.003m in 2027/28.

Services Grant

- 22.44 Included within the 2024/25 estimates detailed at Section 10.3 (j), is an assumption that the Government will reduce the Services Grant further to fund inflationary increases to the RSG. As mentioned at 22.38, the MTFS includes no inflationary increases for the RSG in the financial years 2025/26 to 2027/28 therefore, it is assumed that the Services Grant will be received at a cash flat value of £1.056m for the remainder of the MTFS period.

Extended Producer Responsibility for Packaging

- 22.45 The receipt of this grant in 2024/25 was outlined in the Policy Statement of 12 December 2022 but as yet it is not possible to assess its likely value. Therefore no estimate has been made.

Retained Business Rates

- 22.46 It is assumed that Business Rates will be collected locally and retained at a level of 50% to finance local services from the financial year 2025/26 to 2027/28. It is anticipated that as a result of regeneration across the borough linked to the Creating a Better Place programme, Retained Business Rates will increase to £26.074m in 2025/26, £26.302m in 2026/27 and £26.530m in 2027/28.

Council Tax Income

- 22.47 As per Council policy, it is assumed that Council Tax will increase by 1.99% for general purposes between 2025/26 and 2027/28. In addition, it is expected the number of recipients of Council Tax Reduction will reduce and that there will be an increase in new residences and/or empty homes occupied. Together this is expected to increase the Council Tax Base by 500 Band D equivalents each financial year after the Collection Rate is taken into account. An amount of £118.326m will be precepted for 2025/26, £121.689m for 2026/27 and £125.139m for 2027/28, plus £0.334m in 2025/26, rising to £0.342m in 2026/27 and £0.350m by 2027/28 for Parish Precepts. It also assumed that the ability to raise an Adult Social Care Precept will cease at the end of the current Spending Review period.

Flexible Use of Capital Receipts

- 22.48 The ability to utilise capital receipts to finance transformational activity ceases at the end of 2024/25. It is assumed this initiative is not continued into 2025/26 and future years.

Summary Position

22.49 Having regard to the expenditure and income assumptions as set out above the information presented below in Table 27 details the revised budget reduction requirement for the financial years 2024/25 to 2027/28.

Table 27 – Budget Reduction Requirement 2024/25 to 2027/28

	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000
2022/23 Net Revenue Budget	274,064	279,205	283,349	287,932
Total Adjustments to the Base Budget	17,463	5,100	0	0
Total Expenditure Adjustments	14,827	17,098	17,179	14,487
Total Impact of Levies, the Statutory Charge and Contributions	2,853	1,386	1,256	1,293
Total Expenditure	309,207	302,789	301,784	303,712
Total Government Grant Funding	(113,666)	(138,615)	(139,599)	(140,583)
Total Locally Generated Income	(165,539)	(144,734)	(148,333)	(152,019)
Total Funding	(279,205)	(283,349)	(287,932)	(292,602)
Budget Reduction Requirement	30,002	19,440	13,852	11,110
2021/22 Approved Budget Reductions	(300)	(303)	0	0
2022/23 Approved Budget Reductions	(1,150)	0	0	0
Return on Children's Investment	0	(2,186)	(1,293)	(998)
Revisions / Reprofiting of Approved Budget Reductions	(4,250)	(747)	(100)	
2023/24 Proposed Budget Reductions	(6,969)	(1,135)	0	0
Total Flexible Use of Capital Receipts	(2,600)	0	0	0
Total Use of Reserves	(3,932)	0	0	0
Net Gap/Budget Reduction Requirement	10,801	15,069	12,459	10,112

22.50 Table 27 shows that the budget reduction requirements for the remainder of the MTFS period total £48.441m and by year are:

- 2024/25 - £10.801m
- 2025/26 - £15.069m
- 2026/27 - £12.459m
- 2027/28 - £10.112m

22.51 The full detailed projections resulting in the above summary are included at **Appendix 11** of the report.

22.52 The means by which the Council will address these budget reduction requirements is set out at Section 23 which describes the Council's Transformation Programme.

23 Transformation Programme

23.1 The 2022/23 to 2026/27 MTFS set out the Council's previously agreed programme of transformational activity based on four main themes plus a Cross Cutting programme of change along with a number of saving targets for each theme. Since then, the Transformation Programme has been re-engineered during 2022/23 based on the development of an updated Corporate Plan and the Council's approach to delivery of its new corporate objectives. The themes of the Transformation Programme reflect changes to improve efficiency and at the same time deliver both better services and future savings. It is expected that there will be further savings from the transformation programmes above those set out in the 2023/24 budget; these will be developed with Services and will feed into future iterations of the MTFS.

23.2 The programme of change is based around three main objectives:

- Demand management - an essential element of controlling and reducing costs
- Income Maximisation – taking forward the objectives of the income strategy, not only to increase the Council's income base, but to ensure improved income collection
- Service Review – all services reviewing their budgets to identify potential savings and efficiencies including policy changes.

23.3 The programme is managed through the Change and Transformation Board which is chaired by the Deputy Chief Executive and comprised of Senior Council officers. The programme is comprised of six core themes and each of these is led by a Sponsor and a Senior Responsible Officer (SRO) with the Deputy Chief Executive taking overall responsibility for the initiative. Where possible the budget reduction targets to which services were already working have been retained within the financial strategy. In addition to core themes there is an Enabling Programme to support more efficient and effective service delivery and drive budget reductions across all service areas as outlined in the following paragraphs.

Enabling Programme

23.4 The Enabling Programme is in place to provide support when a programme of work requires specific focus from specialist functions that enable the delivery of business change. These typically include but are not limited to Business Intelligence, Information and Communications Technology (ICT), Human Resources, Finance and Legal services. Through effective planning of these enabling activities, the requirements of the totality of the Transformation Programme will be managed to identify matters of timing, sequencing and capacity. It is evident that many of the planned workstreams and the themes within them are interlinked. However, the overall programme management of the workstreams will create a more coherent approach to the extensive change activities, provide focus on the most important projects and enable more effective management of the inter-dependencies.

23.5 The key enabling services and their contribution to the Transformation Programme are set out below:

- Programme Management Team

This team will provide a dedicated support service to drive and provide coordination to the all-encompassing change and transformation programme.

- Business Intelligence, Performance and Strategy

The availability and use of data and analytical capability to underpin current and future decisions on service delivery. This will support the delivery of efficiencies in other parts of the Council.

- ICT and Digital

Improving and strengthening the digital options for residents will promote greater efficiency across many services provided by the Council. The digital infrastructure underpins a modern and forward looking Borough and reflects the expectations of residents and businesses to transact with public sector organisations using the latest technology, to increase choice and improve satisfaction while moving high volume transactions on to more cost-effective alternatives. Greater use of technology will also lead to more effective internal systems and processes.

Efficiency improvements are expected to support services achieve future savings, indeed, some of the budget reductions that have already been proposed, rely on digital developments.

Taking forward the ICT and Digital agenda across the Council has significant corporate implications, impacting on every service in some way and so it is critical to the Oldham ambition to deliver more efficient services and reduce expenditure in service provision. Investment funding for digital and technology initiatives is included in the Capital Programme.

- Human Resources (HR) and Organisational Design (OD) Support

These service areas will focus on the development of a revised workforce strategy to assist the service redesign/delivery starting with the already approved programme within Children's Services. This will underpin improvements to the Agency Supply Model and reward and recognition packages for staff.

Clearly, input from HR/OD will be required wherever the Transformation Programme requires a change to either the existing establishment or to ways of working to ensure that appropriate consultation and consideration to the views of staff.

- Finance

As a key enabling service, the Finance Team will provide support in costing new investment proposals but also in the assessment of the level of efficiency to be delivered from a financial perspective.

Along with the Business Intelligence team, benchmarking work will be undertaken and financial analysis to highlight areas where a service review might support a change programme.

- Legal Services

The Legal Services team will support any change and Transformation Programmes to ensure that statutory requirements are met, and appropriate procedural protocols are followed.

23.6 In further developing the detailed Transformation Programme, it is not expected that the enablers for change will deliver specific savings from their own service, but they are expected to support the delivery of greater efficiencies in process. The support provided by the enabling programme will support the bigger spending areas within the Council such as Children's Services and Adult Social Care to better manage future demand, reform the present operating model and realign service design to generate both non cashable efficiencies and cashable transformation savings.

Core Themes

23.7 The revised core themes are focused around the areas set out below:

- Children's Change Programme including Social Care Demand Management
- Adult Social Care Change and Improvement Programme and Integration with the NHS
- The Creating a Better Place Programme
- Place Based Integration to create stronger communities
- Commissioning, Procurement and Contract Management
- Income Maximisation

23.8 As with the earlier iterations of the Transformation Programme, this refreshed programme is supported by several cross cutting initiatives relating to general efficiency and management control, vacancy management, procurement and commissioning practices so all aspects of the programme of change are interlinked.

23.9 A description of each of the main programmes and associated activities expected to contribute to addressing future budget reduction requirements is set out below.

23.10 The significant financial challenge that the Council is facing means that there will need to be an acceleration to the programme of transformation to deliver a sustainable balanced budget with a reduced reliance on one-off measures.

23.11 Mindful that in some instances there is a requirement to support change with some pump-priming resources, the reserves strategy includes:

- a Transformation Reserve will be used from 2023/24 onwards to support the implementation of the initiatives including any investment required to facilitate the efficiencies outlined in the following paragraphs.
- an Earmarked Reserve for integrated working which can support investment in joint working initiatives with the NHS to deliver future efficiencies and a regeneration reserve which can support the Creating a Better Place programme of work.
- Children's Services resources to facilitate investment of which £2.900m has been allocated to support initiatives approved by Cabinet on 12 December 2022 to promote improvements in service and efficiencies.

Theme 1 – Children's Change Programme including Social Care Demand Management

23.12 Members will recall that at the Cabinet meeting of 12 December 2022, a report 'Children's Services Investment Proposals' was approved. This in effect outlined the £14.700m of investment in Children's Services. This investment is comprised of:

- recurrent funding of £11.800m to provide resources to stabilise the challenging financial position that has been experienced in 2022/23 and ensure statutory responsibilities can be adequately addressed.

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- one off funding in 2023/24 of a net £2.900m funded from reserves (a total investment of £3.524m offset by a £0.624m in year return on investment) to pump prime a number of invest to save initiatives. In effect, this investment forms the spine of the Change/Transformation Programme for Children's Services.

23.13 The Children's Change Programme is focusing on the key areas where effective and efficient demand management results in both efficiencies and future savings. It is being overseen by the Children's Transformation Board which has a membership covering key areas of Council business including those identified within the Enabling Programme.

23.14 The Children's investment programme and hence the transformational change programme has four core areas as detailed below:

- Better support for families at an earlier stage
- Providing the very best of care for our most vulnerable children
- Supporting children and young people by making Oldham the best place to be a social worker
- Rewarding and supporting the work of Oldham's Foster Carers

The delivery of these core activities and the contribution to the change programme is set out in the following paragraphs.

Better support for families at an earlier stage

23.15 By identifying need and then providing support at an earlier stage, the Transformation Programme is preventing crisis intervention but also enabling demand to be managed. Preventative action will minimise demand which is avoidable, that which is preventable, and which arises from failure in the system. Taking forward the "Targeted Edge of Care Programme" the present service is being enhanced to support children at risk of going into care. The programme is focused around a team to support children and families at the point of breakdown where the care system is the alternative. This results in an improved outcome whereby the child is able to stay in the family environment reducing the need for foster care or a residential placement, thereby reducing cost.

23.16 £11.300m of the recurrent investment has largely been directed at this area, enabling demand management strategies to be taken forward.

Providing the very best of care for our most vulnerable children

23.17 The making of effective and timely decisions about the safety of children and young people and the care and support they need has been enhanced by the investment in additional staffing resources and this will not only ensure the needs of a young person are met, but that those needs are reviewed and appropriate action is taken to respond to change, which may require a stepping down of support and hence a potential reduction in costs.

23.18 There will be a continuing review of the Semi-Independent/Supported Living Accommodation for children of 16 to 18 years of age (and up to 25 if they are care leavers). This will encompass both internal and external provision and the future use of block contracts to ensure the provision of appropriate but cost effective provision. It will be supported by a strong preventative model which will aim to reduce the need for care support in the first place. Linked to this is a change to the Children's Residential Programme. Where such care is needed, the aim is to replace expensive external Out of Borough placements with internal provision where possible, potentially working in partnership with other Districts and GMCA to develop capacity within the City Region to reduce the need for future Out of Borough Care Replacements.

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- 23.19 Resources of £0.583m of the £2.900m one off investment will be directed to this area in 2023/24 with the expectation of the delivery of cashable efficiencies from 2024/25 to 2028/29 (a year beyond the timeline of the MTFs) as illustrated in the table at 23.25.

Supporting children and young people by making Oldham the best place to be a social worker

- 23.20 The challenges in recruiting and retaining the social care workforce (especially social workers for Children's Social Care where there is a national shortage) have been well reported. In response to this, the December 2022 Cabinet paper advised that in October 2022 a new Social Work Academy was launched to attract, recruit, and retain social workers. The academy offers those already in the profession further training and development, encouraging career progression and overall professional development. It also targets those people who would like to enter the social work field by providing social work apprenticeships and degrees, and career development. This 'grow your own' strategy is indeed a transformational change programme. It is expected to produce high quality, dedicated social workers that understand Oldham and the needs of its children and young people. It will also enable caseloads to be kept at an acceptable level and allow the Council to rely less on agency social workers and therefore reduce costs.
- 23.21 Approved one off investment of £2.941m is to be made in 2023/24 in order to generate significant savings each year from 2024/25, more than repaying the initial investment (as outlined at the table at 23.25).

Rewarding and supporting the work of Oldham's Foster Carers

- 23.22 Recognising the contribution of foster carers to children looked after and young people, the December Cabinet report advised of the enhancement of in-house foster carers allowances and skills payments and the proposal to recruit additional 'specialist foster carers' to support existing foster carers with additional training, advice, and support in caring for our most vulnerable children and young people, enabling more of them to remain in foster care rather than more costly residential placements. It is anticipated that this will also reduce future dependency on the Adolescent Support Unit, reduce the number of placement breakdowns and future moves to independent fostering agencies or residential care outside the borough. The investment in this activity is expected to provide financial efficiencies from 2023/24, starting with a sum of £0.624m, with a cumulative impact of £3.529m up to 2028/29.

Other Initiatives

- 23.23 A programme of Early Help and Prevention will concentrate resources to provide appropriate support to vulnerable children and families through a range of preventative measures. This will include universal services, community advice/support and the increased provision where appropriate of online support.
- 23.24 Improved commissioning will look at the current services delivered externally to redesign and where appropriate re-commission such services.

Summary Savings – Children’s Change Programme

23.25 Using the programme of activity outlined above and building upon the investment to generate future savings agreed at Cabinet on 12 December 2022, the MTFS includes the return on the investment/savings to be achieved from the Children’s Change Programme as summarised in the table below. This extends one year beyond the timeframe of the MTFS and illustrates that investment can take time for its full benefits to become evident.

Table 28 - Return on Investment

Description	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Providing The Best Care	583	(548)	(181)	(102)	14	(71)
A Better Place to be a Social Worker	2,941	(1,610)	(1,097)	(730)	(650)	(791)
Supporting Foster Carers	(624)	(742)	(908)	(461)	(362)	(432)
Investment Initiatives - Reserves	(2,900)	2,900	0	0	0	0
Return on Investment	0	0	(2,186)	(1,293)	(998)	(1,294)

23.26 It is important to note that the programme of change is expected to produce further efficiencies and the table shows the minimum level expected. As the various stages of the programme are delivered, there will be a further review and a refresh to enhance efficiency and effectiveness.

Theme 2 – Adult Social Care Change and Improvement Programme including Integration with the NHS

23.27 The Adult Social Care Change and Improvement Programme (ASCCIP) has been reviewed and reprioritised to take forward an ambitious programme of change linked to the revisions to the legislative framework within which the service is operating but also to focus on delivering more efficient and effective services for the users of Adult Social Care. A key element of the change and transformation programme will be the embedding new ways of working in order to take forward the budget reductions set out to support the delivery of a balanced budget for 2023/24 and underpin the budget for 2024/25 and future years.

23.28 A range of core project streams will be taken forward based around initiatives including:

- Taking forward the Target Operating Model (TOM) which ensures that statutory duties are met but at the same time delivers an appropriate prevention offer which removes, reduces or delays the need for care. Budget reductions totalling £3.000m have already been included in MTFS forecasts over the period 2023/24 to 2025/26.
- A transformational change to service provision included as a budget reduction with financial benefits over the years 2023/24 to 2025/26 totalling £4.500m, is the approach to Direct Payments (giving service users money to pay for their own care). New working practices will ensure the right level of support is provided to meet residents eligible needs in a way that reflects their strengths and connections in their local community.
- Modernizing the local digital offer, which is vital to the delivery of ASC reform. The ICT and Digital enabling programme is a key support strand in taking forward these initiatives. This includes:
 - Modernising systems and the approach to digital self-assessment whilst creating independence and reducing reliance on services

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- Developing Artificial Intelligence solutions
 - Embedding assistive technology to improve service users' independence and reduce reliance on services, whilst also providing an evidence base for decisions relating to provision of care and support;
 - Maintaining the existing on-line offer and ensuring that it is remain easily accessible for residents

- Increasing reablement capacity and throughput.
- Improved Procurement/Commissioning through the improved use of the present information system (Mosaic).
- Working with NHS partners to maximise the opportunities arising from the shift to Integrated Care Systems. By developing local and GM-level commissioning. Adult Social Care services will continue to work collaboratively with system partners, blending teams and enhancing systems ensuring the impact of partner redesign complements the Council's Transformation Programme.
- Transforming the service for those transitioning to Adult Social Care services from Children's Services building on work across adults and children's social care, health, and education over the past two years. This will see the development of a dedicated service focused on ensuring that statutory duties are completed in a strengths-based way, supporting young people who require care and support post 18 years.
- The Health and Care Act (2022) provides new duties and responsibilities for the provision and sharing of information across the health and care sector. The Council, its partners and service providers are working to facilitate the sharing of data to improve outcomes for people with health and care needs and hence drive efficiency, effectiveness and cost reduction. In addition, the new CQC inspection framework for Adult Social Care, requires that customer insights, engagement and co-production form part of the fundamental approaches to realising quality assurance and service improvement.
- By working on a holistic approach in partnership with Children's Social Care in line with the current policy framework, it is planned future efficiencies can be generated in the future support/placements as transition is made into the child coming of age. Overall, it is planned this programme will generate savings of up to £1.000m.
- In conjunction with key partners such as MioCare CIC (the Council's 100% owned Community Interest Company) the Council will take a review of the processes involving care planning to the delivery of the package of care. Whilst this review will not generate specific savings it is a key Enabling Programme within Adult Social Care transformation to support the delivery of efficiencies elsewhere which have the potential to generate future savings.

23.29 Aligning to the income maximisation strategy there will be continuous review that recipients of Council services (individuals and partners) pay an affordable and fair cost for services.

23.30 As advised, two of the Adult Social Care budget reductions have been presented to support the 2023/24 and 2024/25 budgets. The approaches established as these budget reductions are delivered together with the other activities outlined above, will form the basis of the next phases of the programme of change and support the delivery of further budget reductions over the rest of the MTFs period.

Theme 3 – The Creating a Better Place (CaBP) Programme

- 23.31 The CaBP programme (originally approved January 2020) sets out a vision for the borough which is focused on building more homes for the borough’s residents, creating new jobs through town centre regeneration and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go. The strategy aims to deliver these ambitions in ways that contribute to a reduction in carbon emissions in support of the Council’s Green New Deal strategy.
- 23.32 The CaBP strategy was reviewed and updated in August 2020, in light of the COVID-19 pandemic, to place more emphasis on economic recovery and accelerating the potential for generating revenue budget savings. The programme envisages delivering an already approved £8.058m of revenue budget reductions between 2022/23 and 2026/27. The financial benefits have already been factored into MTFS estimates.
- 23.33 The CaBP Programme is now embedded into the operating arrangements of the Council, this is still a transformational programme but one that has been well established.
- 23.34 Services which maintain and enhance the public realm alongside corporate land and property assets are essential to the delivery of the Council’s priorities. At a strategic level it is acknowledged that the Council’s property portfolio can be a catalyst for building new homes, creating job opportunities, re-skilling residents through new apprenticeship opportunities, and re-engaging communities and partners through property / estate co-location and collaboration.
- 23.35 Developing the existing programme of work on the use of property and assets, the Council will maximise the benefit from the corporate estate by developing property disposal and procurement routes that will ensure the Council is able to shape and maintain a property portfolio that will support service delivery and contribute a sustainable income stream.
- 23.36 In addition, the Council will rationalise its office accommodation, where possible, following the place based principles and co-locate staff with partners to maximise efficiencies and realise the potential of ‘One Public Estate’ for Oldham and Greater Manchester.
- 23.37 The regeneration of Oldham town centre remains a Council priority. Following the acquisition of the Spindles and Town Square Shopping Centres its current redevelopment is a key part of the Creating a Better Place Strategy unlocking land and development opportunities. The relocation of the Council offices into new modern accommodation is a key strand of this programme.
- 23.38 The table below shows the specific revenue budget impact of the Creating a Better Place programme linked purely to the asset rationalisation element of the work. So far, £8.058m of budget reductions have either been delivered or built into budget estimates.

Table 29 – Creating a Better Place Savings

	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
	£000	£000	£000	£000	£000	£000
Creating a Better Place	(708)	(800)	(5,400)	(1,050)	(100)	(8,058)

- 23.39 There are also ambitious plans for the regeneration of the borough as a whole with investment in Royton and projects in train at Hollinwood and Foxdenton. The Council will also seek to integrate and rationalise the highly visible and valued services which support and maintain the public realm of the Borough.

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- 23.40 Significant capital investment is needed to deliver the town centre vision, new homes and the vision for the rest of the borough. These resources are reflected in the Capital Strategy and Capital Programme for 2023/24 to 2027/28.
- 23.41 This investment will bring future benefits to Oldham through additional economic and housing growth, which is expected to increase revenue from, for example, Council Tax and/or Business Rates. This has a strong link to the Income Maximisation theme presented below. The budget estimates have already been adjusted to reflect the anticipated extra income from this activity with the Tax Bases for Council Tax increased by 500 Band D equivalent properties from 2025/26. An increase in Business Rates Income has also been included where a standstill position would otherwise have been adopted.
- 23.42 Clearly as this wide ranging programme develops into its next phase, the contribution to the budget reduction target will increase and this will be included in future iterations of the MTFS.

Theme 4 - Place Based Integration to create stronger communities

- 23.43 The Place Based Integration programme has been developed from feedback from residents who as much as possible, want services close to home and tailored to the specific needs of their community. The aim of the programme has been to reconfigure and integrate services in each of the five districts footprints of Oldham. There are significant inter-dependencies with the other Transformation Programmes and services; specifically with Adults and Children's services. As well as bringing more Council services to local areas, the aim is to more deeply integrate with other public bodies like the NHS, schools, housing associations and the police. The aim is to provide a more holistic support to residents.
- 23.44 The Programme aims to take a community-centred, preventative approach to public services which benefits residents. It is better to help people stop smoking than treat the consequences of smoking both from a public expenditure perspective but also from an individual perspective. The Council expects residents to be happier and healthier with an appropriate support network including the dedicated local team within the District.
- 23.45 The Council's relationship with the voluntary, community, faith and social enterprise sector will also continue to be strengthened as set out in the Greater Manchester VCSFE Accord.
- 23.46 The Oldham Plan, Our Future Oldham sets out the intention to embed Place Based Working with Oldham as somewhere that uplifts and supports every resident. This will be done by tailoring services to deliver the needs of individual districts by putting emphasis on what is important in each neighbourhood.
- 23.47 The programme aims to deliver, amongst other things, the following outcomes:
- Improved engagement, resilience and outcomes for adults with long term challenges.
 - Better informed processes and service re-design influenced by learning from those with lived experience through a co-production approach. Opportunities for earlier intervention identified.
 - Mapping of the current system across Oldham and an improved understanding across partners of where complexity prevents client engagement.
 - An established peer support network for former cared for younger women to provide community level support and self-help.
 - Strengthened relationships with the community and voluntary sector, particularly in providing support for high-risk individuals.
 - A more targeted and evidence-based approach to the commissioning of services.
 - A tested and improved early intervention offer for adults based on a whole system, holistic and a personalised response.

23.48 The overall impact of the above activities is the expectation of reduced cost across the system and future cost avoidance by reducing demand hence supporting the MTFs. As the place based integration programmes are developed further, the benefits of the activity will be fully evaluated during 2023/24. It is anticipated that the benefits of this approach will lead to specific budget reductions to assist in closing the 2024/25 gap and support the financial position over the rest of the MTFs period.

Theme 5 - Commissioning, Procurement and Contract Management

23.49 This programme will take forward a forensic review of all current contracts within the Council supported by a reconstituted Commissioning Board (currently under development) aiming to save on average a minimum of 5% on current contracted spend. This theme is to some degree cross cutting in nature as it also supports savings on the four core themes as set out above.

23.50 Using a team of subject matter experts, the work undertaken through this programme will provide challenge and independent review. It will utilise benchmarking and other key comparative information to ensure that economy, efficiency and effectiveness is delivered through the Council's commissioning, procurement and contract management arrangements.

Theme 6 – Income Maximisation

23.51 The Council will refresh its Income Maximisation Strategy and a review of Traded Services will endeavour to pursue key objectives within this strategy. The Council will:

- Adopt a more commercial approach to all of its chargeable activities. This will be based around to the annual review of fees and charges but individual reviews will be undertaken as required. The fees and charges for 2023/24 outlined at Section 21 and Appendix 10 have been prepared so that increases in many areas reflect prevailing levels of inflation as measured by the CPI;
- Revisit and update existing policies and ways of working: particularly with regard to income collection practices and the recovery of arrears;
- Improve collection rates for Council Tax and Business Rates as well as strengthen and grow tax bases underpinning these major revenue streams;
- Adopt efficient methods of working and look to reduce in line with Co-operative Values non-statutory chargeable activity that is unlikely to generate surplus revenue or at least fully recover all cost inputs;
- Take a more considered and sophisticated approach to assessing risk versus reward for local investments;
- Undertake a Traded Services review to ensure such services are being delivered efficiently and effectively, minimising any adverse impact on the Council's budget;
- Review and rationalise the existing property holding across the Council linked into the Creating a Better Place Programme;
- Maximise the opportunity to utilise revenue grant funding to support the operational activities of the Council;
- Maximise the opportunity to utilise external capital grants to reduce the levels of prudential borrowing required to finance capital expenditure and thereby alleviate pressure on the revenue budget;
- Maximise the income/funding it can access from its membership of the Manchester City Region; and
- Lobby for the fair future reform of Local Government Finance to ensure Oldham receives its appropriate share of national funding.

23.52 This Strategy will support the Council to deliver its Co-operative Priorities by:

- Maximising existing income sources;
- Fully recovering cost inputs;
- Maximising Social Value by recovering as much income as possible to enable it to assist the most vulnerable;
- Growing sustainable local income such as Council Tax and Business Rates including utilising capital investment and planned transformation within the Council; and
- Maximising Joint Working where appropriate.

Service Reviews

23.53 Underpinning all transformation workstreams will be:

- A programme of service reviews which should lead to the identification of service specific budget reductions and efficiencies including the use of benchmarking analysis and reviewing practices at other Local Authorities;
- An approach to service delivery where the Council (and its partners) will be making new strategic choices to ensure the service provision is based on the characteristics of Oldham, its people, and communities within the borough. New opportunities for collaboration and new ways of working between organisations (especially support functions) that share a common footprint will be prioritised;
- A review of the provision of discretionary services and also the level at which statutory services are delivered will be undertaken. Such initiatives may be discrete exercises but are more likely to be encompassed within a service review under the remit of demand management; and
- Reviews of Council policies with regard to service provision, linked to the consideration of discretionary/statutory services but also to ensure best practice.

23.54 At this stage there is still further work to assign specific budget reduction targets to the areas of transformational activity detailed above, however as initiatives are progressed, detailed targets will be able to be assigned.

On-going Budget Review

23.55 Given the importance of delivering budget reductions and embedding the programme of transformational change, during 2023/24, there will be a regular review of the progress of existing change programmes against delivery milestones with a view to determine financial targets. It will also ensure that there is continuous emphasis on the delivery of change and the achievement of all budget reductions required in line with the Medium Term Financial Strategy.

Reserves and Balances

23.56 In the light of the risks and uncertainties highlighted in the MTFS, it is important to maintain a healthy and robust level of reserves and balances to manage uncertainty. The financial resilience of the Council has been reduced but based on the reserves and balances information set out at Section 19 of the Revenue Budget Report and below in Table 30, the position remains manageable when considering the 2023/24 to 2027/28 period.

Table 30 – Earmarked Reserves Projected Use

Earmarked Reserves Projection	2023/24 Estimated Closing Balance £000	2024/25 Estimated Closing Balance £000	2025/26 Estimated Closing Balance £000	2026/27 Estimated Closing Balance £000	2027/28 Estimated Closing Balance £000
Integrated Working Reserve	(9,127)	(8,172)	(7,422)	(6,922)	(6,422)
Transformation Reserve	(4,000)	(3,000)	(3,000)	(3,000)	(3,000)
Regeneration Reserve	0	0	0	0	0
Balancing Budget Reserve – 2024/25	(3,932)	0	0	0	0
Other Reserves	(35,522)	(38,162)	(37,821)	(37,771)	(37,721)
Total	(52,581)	(49,334)	(48,243)	(47,693)	(47,143)

23.57 The MTFS indicates a potential general use of reserves of £14.008m in 2023/24 and a further £3.932m in 2024/25. The table above highlights a further projected use of reserves to support transformational activity which will support the delivery of the budget reductions mentioned earlier within this section. This use of reserves is not being specifically budgeted at this stage as the timing and profiling across the MTFS is subject to change and will be linked to specific projects within the transformation themes.

23.58 In line with the good budget management practices within the Authority, there may be an opportunity to replenish reserves to improve financial resilience. This will be considered during the final accounts processes for respective financial years.

23.59 The continued reliance on the use of reserves to balance the budget is not without risk but given the planned approach, the availability of reserves to support the transformation process and other corporate initiatives, the risk is to some degree mitigated. However, the position will be monitored closely and in line with the Council's Reserves Policy which is reported to the Audit Committee.

24 Pay Policy Statement

24.1 Included at **Appendix 12** is the Council's Pay Policy Statement. This Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 to 43 of the Localism Act 2011, which requires approval of the Statement through full Council. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees, with particular emphasis on the level of remuneration for the Council's most senior staff.

25 Options/Alternatives

25.1 The options as follows:

- Option 1 – The Policy Overview and Scrutiny Committee accepts the budget assumptions and resulting financial forecasts presented within the report and the budget position at Appendix 4.
- Option 2 – The Policy Overview and Scrutiny Committee proposes amendments to the assumptions which will change the resulting budget reduction requirement and financial forecasts.
- Option 3 – The Policy Overview and Scrutiny Committee recommends all the 2023/24 and 2024/25 budget proposals included in this report and the approach to the use of reserves and balances and as well as Council Tax and Adult Social Care Precept increases.
- Option 4 - Policy Overview and Scrutiny Committee can request that further work is undertaken on some or all of the budget proposals and the approach to reserves and balances and that Cabinet considers a revised position.

26 Preferred Option

26.1 Options 1 and 3 are the preferred options. Assumptions are based on objective research and the latest available information. The Council has a statutory duty to set a balanced budget and the budget reductions included in this report along with the proposed use of reserves fulfil that requirement.

27 Consultation

27.1 Members of the public and stakeholders will be consulted on our proposals and invited to submit their feedback. A proactive approach to communications will be taken, with a multi-channel communications strategy incorporating digital, social and traditional media, ensuring that residents and businesses across Oldham are aware of our budget proposals and are able to have their say.

(Jeni Harvey, Head of Communications and Research)

28 Financial Implications

28.1 Financial Implications are dealt with in full within the detail of the report.

29 Legal Services Comments

29.1 Legal issues are addressed in the body of the report. The Council has a legal obligation to pass a resolution to agree its budget and Council Tax resolutions before 11 March 2023.

(Paul Entwistle, Director of Legal Services)

30 Co-operative Agenda

- 30.1 As a Co-operative Council, Oldham is committed to reforming public services and encouraging innovation, leading to better outcomes and delivery. The revenue budget projections have been prepared so that they support the Council's co-operative agenda with resources being directed so that the aims, objectives and co-operative ethos of the Council are delivered.

(Jonathan Downs, Corporate Policy Lead)

31 Human Resources Comments

- 31.1 The FTE reductions detailed within the budget proposals comprise of vacant positions. As the number of filled positions proposed for deletion as a result of the budget options are below the legally set threshold of 20, there will be no requirement for the issuance of a formal Section 188 notice. This will not, however, negate the need for service redesigns to be conducted with the appropriate consultation periods and in line with the Council's relevant policies and procedures. Where staff are displaced as a result of service redesign the Council's redeployment process will be applied and redundancies mitigated as far as possible. Full consultation with staff and recognised Trade Unions will form a part of these processes.

(Vikki Morris, Assistant Director of HR & Organisational Development)

32 Risk Assessments

- 32.1 There are a wide range of issues which could impact on the assumptions and projections. A regular review of these will ensure that any key changes are highlighted immediately.

Mark Stenson (Assistant Director of Corporate Governance and Strategic Financial Management)

33 IT Implications

- 33.1 Any specific IT implications associated with the proposals included in the report are detailed within the individual budget reduction proformas included at Appendix 6.

34 Property Implications

- 34.1 Any specific property implications associated with the proposals included in the report are detailed within each individual budget reduction proformas included at Appendix 6.

35 Procurement Implications

- 35.1 Any proposals that impact on the procurement of goods, services etc. will be undertaken in full liaison with the Procurement Service and in compliance with all necessary Council and statutory requirements.

36 Environmental and Health & Safety Implications

- 36.1 Environmental and Health and Safety implications will be considered when dealing with the individual proposals as appropriate.

37 Equality, community cohesion and crime implications

37.1 In taking financial decisions, the Council must demonstrate that it has given “due regard” to the need to eliminate discrimination, promote equality of opportunity and promote good relations between different groups.

37.2 Demonstrating that “due regard” has been given involves:

- assessing the potential equality impacts of proposed decisions at an appropriate stage in the decision-making process - so that it informs the development of policy and is considered before a decision is taken; and
- ensuring that decision makers are aware of the equality duties and any potential equality issues when making decisions.

NB – having due regard does not mean the Council cannot make decisions which have the potential to impact disproportionately, it means that the Council must be clear where this is the case and must be able to demonstrate that it has consulted, understood and mitigated the impact.

37.3 The Equality Act 2010 extends the public sector equality duties to cover nine protected characteristics, namely:

- age,
- disability,
- gender,
- gender reassignment,
- marriage and civil partnership,
- pregnancy and maternity,
- race,
- religion and belief and
- sexual orientation.

37.4 In December 2010, the Government announced that it would not be taking forward the socio-economic duty for public bodies. Despite this the Council has continued to consider people on low incomes as part of its equality impact assessment process.

37.5 Assessing the potential equality impact of proposed changes to policies procedures and practices is one of the key ways in which public authorities can show ‘due regard’. Equality Impact Assessments (EIAs), therefore, provide a structured framework which enables the Council to ensure that it considers the equality impact of decisions, and to demonstrate to others that it has done so.

37.6 Oldham’s EIA process was refreshed in 2022, with the launch of a new Impact Assessment Tool to improve our decision making, putting equality and our wider priorities at the heart of the process. The new tool mandates that decisions are screened against the nine protected equality characteristics, Oldham’s Corporate Plan priorities (including the socio-economic duty), and the Oldham Plan priorities.

37.7 The Impact Assessment Tool provides an easy-read infographic, clearly showing how any decision will impact on Equality Characteristics, Corporate Plan priorities, and Oldham Plan priorities. Supporting narrative is provided against any positive or negative impact, helping explain the impact of the decision and asking what action can be taken to mitigate potential negative impacts.

37.8 The equality impact assessment process undertaken for the Council's budget process involves:

- 1) An initial equality impact screening – The budget proposal action plan forms completed by each Director / Service Manager incorporate an initial equality screening to identify whether any proposal has the potential for significant disproportionate adverse impact in respect of any protected characteristic i.e. whether the impact of the proposal falls disproportionately on any particular group – such as people with a disability.

The key aims of this review process are to:

- assess the potential equality impact of each proposal using the information provided; and
 - provide challenge to those where the initial screening does not accurately identify those equality groups potentially affected and that a further screening process needs to be completed.
- 2) Full Equality Impact Assessment tool completed – An equality impact assessment is carried out if the initial screening identifies that the proposal could have a potential significant, disproportionate adverse equality impact.

(Jonathan Downs, Corporate Policy Lead)

38 Key Decision

38.1 Yes

39 Key Decision Reference

39.1 FLC-25-22

40 Background Papers

40.1 The following is a list of the 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 that Act.

File Ref: Background papers are contained in Appendices 1 - 12
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41 Appendices

- Appendix 1 - Dedicated Schools Grant 2023/24
- Appendix 2 - Calculation of Council Tax Tax Base 2023/24
- Appendix 3 - Summary of Budget Reductions by Portfolio approved in 2021 and 2022 with an impact on 2023/24 and 2024/25
- Appendix 4 - Current Budget Position 2023/24 and 2024/25
- Appendix 5 - Summary of Budget Reductions by Cabinet Member Portfolio
- Appendix 6 - Budget Reduction Proposals and Draft EIA's
- Appendix 7 - Budget Position 2023/24 and 2024/25 post Budget Proposals
- Appendix 8 - 2023/24 Indicative Budget Presentation
- Appendix 9 - Statement of the Chief Financial Officer on Reserves, Robustness of Estimates and Affordability and Prudence of Capital Investments
- Appendix 10 - Proposed 2023/24 Fees and Charges Schedules
- Appendix 11 - 2024/25 to 2027/28 MTFS Summary
- Appendix 12 - Pay Policy Statement 2023/24
 - 12a – Staff earning in excess of £50,000 per annum
 - 12b – Table 1 – Senior Management Remuneration
 - 12c – Table 2 - Salaries expressed as a ratio of the Chief Executive as at December 2022