

Present: Councillor McLaren (Chair)
Councillors Al-Hamdani, J. Hussain, Moores and Surjan

Also in Attendance:

Councillor Jabbar – Cabinet member for Finance and Corporate Resources

Sarah Johnstone - Director of Finance

Lee Walsh - Assistant Director of Finance

Shelley Kipling - Assistant Chief Executive

Steve Hughes - Assistant Director of Strategy & Performance

Rob Jackson - Managing Director of MioCare Group

Owen Sherborne - Head of Finance of MioCare Group

Kaidy McCann - Constitutional Services

Durga Paul - Constitutional Services

1 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor A. Hussain.

2 **URGENT BUSINESS**

There were no items of urgent business received.

3 **DECLARATIONS OF INTEREST**

Councillors McClaren and Surjan each declared a non-registable interest in agenda item 14, insofar as they had both been appointed by the Council to serve as directors for the Oldham Economic Development Association but advised the meeting that this Association had yet to meet.

4 **PUBLIC QUESTION TIME**

There were no public questions for this meeting of the Scrutiny Board to consider.

5 **MINUTES OF PREVIOUS GOVERNANCE, STRATEGY AND RESOURCES SCRUTINY BOARD MEETING**

Resolved:

That the minutes of the Governance, Strategy and Resources Scrutiny Board held 5th October 2023 approved as a correct record.

6 **REVENUE MONITOR AND CAPITAL INVESTMENT PROGRAMME 2023/24**

The Scrutiny Board received a report on Revenue Monitor and Capital Investment Programme 2023/24. The report provides the Governance, Strategy and Resources Scrutiny Board the opportunity to review the second budget monitoring report for the financial year 2023/24. It is therefore able to consider the key information relating to the forecast revenue budget position and the financial position of the capital programme at 30th September 2023 (Quarter 2), together with the revised capital programme covering the period 2023/24 to 2027/28.

The report presents the current forecast revenue outturn position for 2023/24 at Quarter 2 together with the forecast outturn for the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund. The report also outlines the most up to date capital spending forecasts for 2023/24 to 2027/28 for approved schemes. As this financial monitoring report reflects the financial position at Quarter 2, it can be regarded as an indicator of the likely year end position if continued corrective action is not successfully pursued. Every effort will be made to reduce the forecast variance by the year end to mitigate any potential impact on the 2024/25 budget. If expenditure cannot be controlled in year and there is a consequent increased budget reduction requirement for 2024/25, it is likely that further reserves will have to be used to balance the budget and this will have an impact on the financial resilience of the Council.

In terms of the Revenue Position, the forecast outturn position for 2023/24 was a projected deficit variance of £14.588m after allowing for approved and pending transfers to and from reserves. Unlike 2022/23, when £12.000m of corporate resources were held to offset costs arising from the legacy of the COVID-19 pandemic, the budget for 2023/24 has been prepared so that anticipated COVID legacy costs are consolidated within the mainstream budgets of Children's Social Care and Community Health and Adult Social Care.

It is of concern that the overall financial position has worsened between quarters 1 and 2. In view of the projected adverse variance, it is important to ensure that measures are taken 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 and ensuring non-essential expenditure is minimised.

Information on the Quarter 2 position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund is also outlined in the report. The 2022/23 DSG outturn was a cumulative surplus of £0.899m; the first time that a surplus has been reported since 2016/17, representing the achievement of a major financial milestone for the Council. Future projections continue to improve with forecast surpluses of £3.193m and £4.025m in 2023/24 and 2024/25 respectively. Action will continue to be taken with the aim of mitigating cost pressures and delivering and maintaining the surplus position. There are currently no significant issues of concern in relation to the HRA.

The Collection Fund is forecasting a surplus with the Council's proportion of this surplus being £1.054m. The Collection Fund is a particularly volatile area to forecast with many variables, including the impact of Government Business Rate reliefs, therefore, this area will be closely monitored over the remaining months. Information will be available later in the year to

determine if / how a surplus or deficit on the Collection Fund will impact on the 2024/25 Council budget.



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The report in detailing the Capital Position outlined the most up to date capital spending position for 2023/24 to 2027/28 for approved schemes. The revised capital programme budget for 2023/24 is £76.595m, a net decrease of £27.153m from the £103.748m reported at the close of Quarter 1 and a net decrease of £33.710m from the original budget approved at Council on 1 March 2023 of £110.305m. Actual expenditure to 30 September 2023 was £33.700m (44.0% of the forecast outturn). It is likely that the forecast position will continue to change throughout the year with additional re-profiling into future years.

The report was due to be presented to the Cabinet who were being asked to approve the:

1. Forecast revenue outturn for 2023/24 at Quarter 2 being a £14.588m adverse variance and action being taken to manage expenditure
2. Forecast positions for the Dedicated Schools Grant, Housing Revenue Account and Collection Fund
3. Revised capital programme for 2023/24 and the forecast for the financial years to 2027/28 as at Quarter 2.

The Scrutiny Board requested more detail on the actions being taken to address the overspend. Officers explained that the overspend was across many services but was particularly high in Children's Services and these costs were essential. Due to the significant overspend, they are unable to offset it within the existing budget and they are unlikely to have a balanced budget at year end. However, steps are being taken to reduce spending across all services and the recruitment of new staff is taking place only where necessary.

Resolved:

That the Board noted the report and endorses the recommendations to Cabinet.

7

CORPORATE PERFORMANCE REPORT

The Scrutiny Board received a report on Corporate Performance. The purpose of this report is to provide an overview of corporate performance against agreed service business plan measures for the Quarter 2 period (July – September 2023/24). The current reporting format has been developed as an interim solution, with a view to bringing more mature performance reporting online once the BIPS Programme and Digital Services Foundation Project have been completed.

The reports had previously been presented to an earlier meeting of this Scrutiny Board where Members noted that suggestions had been taken on board on how to improve them and make them more accessible.

The reports gave a highlight of performance in each service with a Red, Amber and Green indicator. The Scrutiny Board queried

underperformance in customer services. Officers explained that this was already being addressed and new software was developed and due to be implemented in January which would allow residents to access council tax services directly online. Council Tax queries account for a third of the calls received so the new software is expected to reduce the number of incoming calls, and consequently reduce the call waiting times which is the area of concern.

Resolved:

That the Board noted and endorsed the submitted report.

8

GREATER MANCHESTER COMBINED AUTHORITY OVERVIEW AND SCRUTINY COMMITTEE - MINUTES

The Scrutiny Board received and considered the minutes of the meeting of the Greater Manchester Combined Authority Scrutiny Committee held on 22nd November 2023.

Resolved: That the minutes be noted.

9

WORK PROGRAMME

The Scrutiny Board considered its Work Programme for 2023/24.

Resolved: That the Governance, Strategy and Resources Scrutiny Board's work programme 2023/24, be noted.

10

KEY DECISION DOCUMENT

The Board considered the Key Decision Document, which records key decisions that the authority is due to take.

Resolved: That the Key Decision Document be noted.

11

RULE 13 AND 14

The Chair reported that there was nothing to report under this heading.

12

EXCLUSION OF THE PRESS AND PUBLIC

Resolved:

That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

13

PARTNERSHIPS RISK UPDATE

The Scrutiny Board considered a report of the Director of Finance which linked in with previous reports submitted to previous Scrutiny Committees and the Audit Committee, over several financial years, which had highlighted the potential risks to the Council from poor supervision of companies/ partnerships of which it has ownership and how governance oversight, had failed to identify this risk resulting in significant financial loss. The Scrutiny Board was asked to note the potential risks to the

Council from the partnerships in which it has an interest for its consideration.

The submitted report has identified those partnerships in which the Council had an interest and then used a traffic light system to rank the risk to the Council (green, amber and red) as at 30th November 2023. These partnerships and the current assessment of risk had been split into seven categories:

- a. 100% Council Owned Companies.
- b. Companies in which the Council has an Equity Stake.
- c. Special Purpose Vehicles.
- d. Council Initiatives
- e. The Green Agenda
- f. Local Government Association
- g. Residual Commitments

The latest version of Partnership Risk Dashboard was attached at the Appendix to the report.

A member of the Scrutiny Board noted that there had been no Board meetings, thus far in 2023/24 of the Oldham Economic Development Association (OEDA) and queried whether the OEDA was able to approve shares. The Assistant Director of Finance undertook to address the issue raised.

Resolved:

1. That the Board notes the report
2. The undertaking of the Assistant Director of Finance, above, be noted.
3. That a further update reports, in this regard, be presented to future meetings of the Scrutiny Board.

14

MIOCARE GROUP – ANNUAL UPDATE ON FINANCIAL PERFORMANCE

The Board received an update from the Managing Director of MioCare Group, detailing the financial performance of MioCare Group. A similar update report had previously been presented in June 2022. The 2022/23 performance was delivered in line with budget. The report also provided a strategic context for the current and future operating environment and the various considerations for the 2023/24 budget.

MioCare Group had been established in 2013 and was made up of three wholly owned Council companies, Oldham Care and Support (OCS), MioCare Services Ltd (MSL) and the parent company MioCare Group CIC Limited (MG). MioCare Group has its own Board of Management, comprising of four elected members, three independent Non-Executive Directors and the Managing Director. All Board members are also registered Directors with Companies House.

Oldham Council pays an annual management fee to OCS to provide and deliver a range of services on its behalf. MSL essentially operates competitively in the market more akin to an independent care provider. MioCare's total income from Oldham

Council represents approximately 21% on the Adult Social Care budget.



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To be sustainable, MioCare Group has taken a strategic social business approach including the divestment of some services, growing services, winning a substantial contract, setting up a commercial enterprise and other measures to control costs. In the main MioCare's trading position has been positive, with small surpluses generating a small reserve.

The Scrutiny Board questioned the Employee Offer section of the report and how the organisation were managing their workforce. The MioCare Group stated that although they struggle to recruit and retain staff in the Trading division, the current number of vacant positions is actually half of the national average. Staff satisfaction surveys presented positive results with over 90% of participating employees agreed that they feel empowered to support service users and that they believe their role allows them to make a difference.

Resolved:

1. That the Board notes the update report and commends the work done by the MioCare Group.
2. That a further update report be presented to the Scrutiny Board in approximately 12 months.

The meeting started at 6.00pm and ended at 8.20pm