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**GOVERNANCE, STRATEGY AND RESOURCES SCRUTINY BOARD**  
**29/01/2025 at 6.00 pm**



**Present:** Councillor McLaren (Chair)  
Councillors Aslam, Azad, Harkness, Ibrahim, Iqbal, Kenyon  
(Substitute), Lancaster, Moores (Vice-Chair), and Rustidge

Also in Attendance:

Cllr A Shah	Leader of the Council and Cabinet Member for Reform & Regeneration
Cllr M Ali	Cabinet Member for Education & Skills
Cllr B Brownridge	Cabinet Member for Health & Social Care
Cllr P Dean	Cabinet Member for Communities & Culture
Cllr C Goodwin	Cabinet Member for Neighbourhoods
Cllr A Jabbar MBE	Cabinet Member for Finance & Corporate Resources
Cllr S Mushtaq	Cabinet Member for Children and Young People
Matthew Bulmer	Director Education Early Years and Skills
Emma Barton	Deputy Chief Executive (Place)
Paul Clifford	Director of Economy
Neil Consterdine	Assistant Director Youth, Leisure and Communities
Nasir Dad	Director of Environment
Julie Daniels	Director of Children's Services
Rebecca Fletcher	Director of Public Health
Steve Hughes	Assistant Director for Strategy & Performance
Sarah Johnston	Director of Finance
Chris Kelsall	Assistant Director of Finance (Capital & Transformation)
Jayne Ratcliffe	Director of Adult Social Care
Lee Walsh	Finance Manager - Capital and Treasury
Vickie Lambert	Finance Manager
Andrew Mather	Constitutional Services

**1            APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Williamson  
( Cllr Kenyon substituting)

**2            URGENT BUSINESS**

There were no items of urgent business received.

**3            DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no public questions

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

**RESOLVED** that the minutes of the meeting held on 4<sup>th</sup> December 2024 be approved as a correct record.

6 **REVENUE MONITOR AND CAPITAL INVESTMENT PROGRAMME 2024/25: QUARTER 3 DECEMBER 2024**

The Cabinet Member for Finance and Corporate Resources made an introductory statement setting out the background and context including pressures faced in the current year and developing the budget for 2025/26.

The Director of Finance presented a report which provided the Scrutiny Board with an update as at 31 December 2024 (Quarter 3) of the Council's 2024/25 forecast revenue budget position (included at Annex 1 of the report) alongside the financial position of the capital programme together with the revised capital programme 2024/25 to 2028/29 (included at Annex 2 of the report).

The forecast overspend position based on the Quarter 3 profiled budget was £10.634m which if not addressed would result in a year-end overspend of £14.178m (£20.390m at Month 8). The financial monitoring report followed on from the previously reported positions and warned on the potential year end position if no further action was taken to reduce net expenditure. The management actions already implemented for 2024/25 had been factored into the current forecasts. Work continued across the organisation to address the position and it was anticipated that by the year end, the current outturn deficit position should reduce even further. An update on the Quarter 3 2024/25 position was detailed within Annex 1 of the report.

The report also outlined the most up to date capital spending position for 2024/25 to 2028/29 for approved schemes. The revised capital programme budget for 2024/25 is £87.260m at the close of Quarter 3 (£99.553m at Month 8), a net reduction of £12.293m. Actual expenditure to 31 December 2024 was £53.478m (61.23% of the forecast outturn).

**RESOLVED:** that the Report be accepted and commended to Cabinet

1. The forecast profiled revenue budget, being an adverse position of £10.634m at Quarter 3 and the forecast potential adverse position by year end of £14.178m, with mitigations in place to reduce expenditure as detailed at Annex 1 of the report.
2. The revised capital programme for 2024/25 including the proposed virements and the forecast for the financial years to 2028/29 as at Quarter 3 as outlined in Annex 2 of the report.

## REVENUE BUDGET 2025/26 AND 2026/27 AND MEDIUM TERM FINANCIAL STRATEGY 2025/26 TO 2029/30



Consideration was given to a report of the Director of Finance which provided the Scrutiny Board with the budget reduction requirement and the Administration's budget proposals for 2025/26 and a forecast of the 2026/27 position having regard to the Provisional Local Government Finance Settlement (PLGFS) published on 18 December 2024. The report also presented the financial forecasts for the remainder of the Medium-Term Financial Strategy (MTFS) period 2026/27 to 2029/30.

It was reported that the starting point for preparing the 2025/26 revenue budget estimates is the underlying base budget of £289.1m. The 2024/25 revenue budget forecast outturn position highlights a current unfavourable projected variance of £14.2m; which will need to be financed from reserves. This is in addition to the general contribution from reserves of £10.8m towards the 2024/25 budget approved by Council in February 2024, plus contributions from other Earmarked Reserves for specific projects/initiatives of some £4.6m. This means the total contribution from reserves in 2024/25 will be some £29.5m: a situation that is not sustainable and which has significantly reduced the financial resilience of the Council.

The report advised that the Council Tax position for 2025/26, was:

- The Council Tax Base is 59,501, up from 58,380 in 2024/25 and slightly under the position assumed in February 2024.
- A 2.99% increase in general purpose Council Tax increase is proposed together with a 2% increase for the Adult Social Care Precept.
- An increase of 4.99% 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 continue to provide no Council Tax Empty Property Discount and increase the Empty Property Premium from 1st April 2025.
- Total Council Tax to be generated for use by the Council based on the Tax Base and the 4.99% increase (including the Adult Care Social Precept) is £122.5m in 2025/26.
- Note that the Council Tax levels for precepting Authorities or Parish Councils' respective Council Tax levels for 2025/26 will be confirmed during January or February 2025

The report outlined the proposed savings that were required to balance the 2025/26 budget. There were a total of 25 savings proposals presented in accordance with Political Portfolios. Overall, approximately 120 FTE posts were affected, of which over 80% were currently vacant.

The Leader of the Council and Cabinet Members each presented the budget reduction proposals within their individual Portfolio area. Scrutiny Board members were able to ask questions of the portfolio holder to seek further information and clarification of the proposals following which all of the proposals were endorsed to Cabinet.

**RESOLVED:** that the Report and the following recommendations be accepted and commended to Cabinet

1. The policy landscape and context in which the Council is setting its revenue budget for 2025/26;
2. The financial forecasts for 2025/26 and 2026/27 having regard to the Provisional Local Government Finance Settlement and associated funding announcements;
3. The Flexible Use of Capital Receipts at a value of £2.6m for 2025/26 and 2026/27;
4. A proposed overall 2025/26 Council Tax increase of 4.99% for Oldham Council services (2.99% for general purposes and 2% Adult Social Care Precept) resulting in the charges set out at Table 12 of the report;
5. The 2025/26 Budget Reduction proposals at a value of £8.8m;
6. The proposed transfer of reserves of £1.05m to improve the financial robustness of the Council;
7. The proposal to draw on the Collection Fund for major preceptors of £137.0m for Borough Wide services and £122.5 m for Council services (subject to confirmation);
8. The proposed net revenue expenditure budget for 2025/26 for the Council, set at £320.8m;
9. The proposed fees and charges as set out in the schedule included at Appendix 6;
10. The level of general fund balances supporting the 2025/26 budget of £18.9m underpinned by the agreed policy on Earmarked Reserves.

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## **CAPITAL STRATEGY AND CAPITAL PROGRAMME 2025/26 TO 2029/30 AND MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT**

The Director of Finance submitted a report setting out the Capital Strategy for 2025/26 to 2029/30 and thereby the proposed 2025/26 capital programme, including identified capital investment priorities, together with the indicative capital programme for 2026/27 to 2029/30, having regard to the resources available over the life of the programme.

The 2024/25 month 8 capital monitoring position presented alongside the report included expenditure projections that were a key determinant of the 2025/26 programme. The projected outturn spending position for 2024/25 was £99.553m. The Place and Economic Growth Directorate, which manages all of the major regeneration projects, constitutes the main area of expenditure. Grants and Other Contributions (£45.406m)

provides the main source of financing followed by Prudential Borrowing (£45.236m). Actual expenditure to 30 November 2024 was £46.557m (46.77% of the forecast outturn), a lower spending profile than that in previous years. The position would be kept under review and budgets will continue to be managed in accordance with forecasts.

The Council had set out its capital programme for the period 2025/26 to 2029/30 based on the principles of the Capital Strategy. The Capital Programme and Capital Strategy were influenced by the level of resources considered available. The level of prudential borrowing included reflects the financing available in the revenue budget, capital receipts align with forecasts and grant funding and other contributions are based on already notified allocations or best estimates at the time of preparation. If additional resources become available, projects that meet the Council's strategic capital objectives would be brought forward for approval. As at the month 8 the anticipated capital expenditure over the five year life of the 2024/25 to 2028/29 strategy was £241.179m, taking 2024/25 aside (£99.553m) this leaves £141.627m for the remainder of the approved 2025/26 to 2028/29 capital programme. The revised capital programme included proposed expenditure for 2025/26 of £108.501m of which the largest category is £80.617m of expenditure on regeneration, schools, transport and infrastructure projects within Place and Economic Growth Directorate. Total expenditure decreases to £29.991m, £29.680m, £ 6.647m and £5.219m in 2026/27, 2027/28, 2028/29 and 2029/30 respectively.

**RESOLVED** that that the following recommendations be accepted and commended to Cabinet:

1. The Capital Strategy for 2025/26 to 2029/30 at Appendix 1 of the report.
2. The capital programme for 2025/26 and indicative programmes for 2026/27 to 2029/30 at Annex C of Appendix 1 of the report.
3. The Flexible Use of Capital Receipts Strategy as presented at Annex D of Appendix 1 of the report.
4. The Minimum Revenue Provision (MRP) Policy Statement 2025/26 and method of calculation and Prudential Indicators detailed in Appendix 2 of the report.

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## **HOUSING REVENUE ACCOUNT ESTIMATES FOR 2025/26 TO 2029/30 AND FORECAST OUTTURN FOR 2024/25**

The Director of Finance submitted a report setting out the Housing Revenue Account (HRA), the detailed budget estimates for 2025/26, the strategic estimates for the four years 2026/27 through to 2029/30 and outturn estimate for 2024/25. The report also set out the recommended dwelling, non-dwelling rents and service and concierge charges to be applied from April 2025.

After taking all relevant issues into account, the projected financial position for 2024/25 was estimated to be a £1.643m favourable variance when compared to the original budget forecast for 2024/25 approved at the Budget Council meeting, 28 February 2024. Of this variance, £0.531m was due to increased rental income (mainly backdated rental income in relation to Holly Bank and Primrose Bank), £0.492m is a reduction in forecast capital spend., and the balance is across a number of areas, but mainly utility charges and aids and appliances.

The HRA balances brought forward into 2024/25 were also £0.222m greater than had been forecast. The estimated balances at the end of 2024/25 were projected to be £21.214m, which would be sufficient to meet future operational commitments and the potential financial pressures identified in the risk assessment.

The 2025/26 position has been presented after allowing for a proposed increase in dwelling rents of 2.7%, an increase in non-dwelling rents in line with individual contracts, a nominal increase of 2% on service charges and the setting of Extra Care Housing concierge charges to fully recover costs.

The financial projections for the HRA over the period 2024/25 to 2029/30 show an overall reduction in the level of balances from £21.106m at the start of 2024/25 to £14.625m at the end of 2029/30. These would be supplemented by a new smoothing reserve that will be created to allow for a change in the Council's Minimum Revenue Provision Policy (MRP), approved in December 2024. Although this will see a significant increase in overall HRA reserves each year until 2036/37, the balances accrued in this reserve will be fully required to pay MRP over the proceeding ten years.

**RESOLVED** that that the following recommendations be accepted and commended to Cabinet:

1. Forecast HRA outturn for 2024/25 (as per Appendix A)
2. Proposed HRA budget for 2025/26 (as per Appendix B)
3. Strategic estimates for 2025/26 to 2029/30 (as per Appendix D)
4. Proposed increase to dwelling rents for all properties of 2.7%.
5. Proposed increase to non-dwelling rents as per individual contracts.
6. Proposal that service charges are increased by 2%.
7. Proposal to set Extra Care Housing concierge charges to fully recover actual costs

The meeting started at 6.00pm and ended at 8.00pm.