

**Report to Governance, Strategy and Resources  
Scrutiny Board**

**Revenue Monitor and Capital Investment  
Programme 2023/24  
Quarter 3 – December 2023**

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Cabinet  
Member for Finance & Corporate Resources

**Officer Contact:** Sarah Johnston, Director of Finance

**Report Author:** Sarah Johnston, Director of Finance

**21 March 2024**

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**Reason for Decision**

The report provides the Governance, Strategy and Resources Scrutiny Board with an update on the Council's 2023/24 forecast revenue budget position at Annex 1 and the financial position of the capital programme as at 31 December 2023 (Quarter 3) together with the revised capital programme 2023/24 to 2027/28, as outlined in section two of the report at Annex 2.

**Executive Summary**

**Revenue Position**

The forecast outturn position for 2023/24 is a projected adverse variance of £16.642m after allowing for approved and pending transfers to and from reserves.

There are significant variances contained within the projected net overspend within three areas forecasting pressures:

- Children's Services is forecasting a pressure of £14.240m
- Place and Economic Growth is forecasting a pressure of £5.442m; and
- Community Health and Adult Social Care is forecasting a pressure of £0.864m

These will continue to be closely monitored for the remainder of the financial year with action taken to address variances and take mitigating action as detailed in the report.

Favourable variances across the remaining portfolios totalling £3.903m are offsetting these pressures in these three areas.

An update on the major issues driving the projections is detailed within Annex 1, Section 2.

The forecast pressure of £16.642m at Quarter 3 is an increase of £0.449m on the adverse position of £16.194m reported at Month 8. Management actions that have been approved to review and challenge planned expenditure, control recruitment and to maximise income will hopefully have an impact on the anticipated the outturn deficit position.

Information on the Quarter 3 position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund is also outlined in the report.

As reported previously, the position on the DSG continues to improve and as at month 9 it is forecasting an in-year surplus of £2.117m, with an estimate that the year-end position will be a surplus of £3.561m. Action will continue to be taken with the aim of mitigating cost pressures and delivering and maintaining a surplus position. To assist, Oldham is taking part in the Department for Education sponsored Delivering Better Value in SEND (Special Educational Needs and Disabilities) which will provide dedicated support for the SEND Review reforms to 55 Local Authorities with historical DSG deficit issues with the aim of putting the DSG of participating Authorities on a more financially sustainable footing.

There are currently no significant issues of concern in relation to the HRA.

The Collection Fund is forecasting an in-year surplus of £0.707m. The Collection Fund is particularly volatile, whilst currently in surplus the position will continue to be closely monitored throughout the year as any surplus or deficit at the end of the financial year will have a direct budgetary impact in 2024/25.

### **Capital Position**

The report outlines the most up to date capital spending position for 2023/24 to 2028/29 for approved schemes. The revised capital programme budget for 2023/24 is £79.466m at the close of month 9, a net decrease of £30.839m from the original budget of £110.305m. Actual expenditure to 31 December 2023 was £52.765m (66.40% of the forecast outturn).

It is likely that the forecast position will continue to change as the year draws to a close with additional re-profiling into future years.

## **Recommendations**

That the Governance, Strategy and Resources Board considers:

1. Forecast revenue outturn for 2023/24 at Quarter 3 being a £16.642m adverse variance.
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 3.

**Revenue Monitor and Capital Investment Programme 2023/24 Quarter 3 – December 2023****1 Background**

- 1.1 The Authority's 2023/24 revenue budget and capital programme was approved by Council on 1 March 2023. Under established budget procedures, all services are required to monitor and review their approved revenue and capital budgets during the financial year. This is reported to Cabinet (and this Board) on a quarterly basis with this additional report at month 8 which is used to inform the budget setting process for the following financial year.
- 1.2 As part of the budget monitoring process, the forecast year-end position for revenue and capital has been prepared by all services as follows:
- a) The revenue forecast is based on a comparison of profiled budgets to the actual position as at the end of Month 8 together with known commitments, issues
  - b) The capital programme forecast has been based on notified revisions to the approved 2023/24 position including the final 2022/23 outturn, new grant notifications and an initial rephasing of the approved capital programme and the Annual Review.
- 1.3 As the year progresses the outturn projections will reflect the evolving position of management actions put in place to mitigate in-year pressures, new developments and changes in the profile of planned expenditure and of course any additional support that the Government may provide.
- 1.4 As previously reported the financial reporting structure of the Council has been revised for 2022/23 and both the revenue and capital positions are presented in the revised format.

**2. Current position**

- 2.1 The forecast revenue outturn for 2023/24 is an adverse variance of £16.642m compared to £16.194m at month 8. Further details of the current revenue budget position and a full description of the forecast can be found in Annex 1.
- 2.2 Table 1 below shows the year-end forecast position against budget for each Portfolio after the application of a net planned transfer of £11.638m to and from reserves. This represents an adverse movement of £0.449m compared to the position reported at Month 8.
- 2.3 The significant forecasted adverse variances at month 8 are within Children's Services, Community Health an Adult Social Care and Place and Economic Growth Directorates. Children's Services is reporting a pressure of £14.240m (£13.386m at month 8), Community Health an Adult Social Care which is reporting an adverse variance of £0.864m (£0.815m at month 8) and there is a further significant pressure within the Place and Economic Growth Directorate which is forecasting a £5.442m adverse variance (£5.312m at month 8)
- 2.4 The forecast overspends are offset by a series of favourable variances totalling £3.903m being reported within; Capital, Treasury and Corporate Accounting (£1.509m, unchanged from month 8), £0.327m within Public Health (£0.305m at month 8), £0.346m within Communities (£0.194m at month 8) and £1.721m within Corporate Services (£1.310m at month 8).

2.5 It is important to note that eight 2023/24 approved budget reductions totalling £1.403m will not to be achieved and are therefore rated 'Red. In addition, one further reduction is rated 'Amber/ Red - with £0.040 of a possible £0.060m forecast not to be achieved. Further details are provided in section 3. In addition, there are a further two Budget Reductions with a combined value of £0.880m rated 'Amber. These are expected to be delivered by year end. Therefore, £1.443m of the projected adverse variance in table 1 is due to the failure to deliver budget reductions.

2.6 The table below shows the forecast Quarter 3 (December) revenue outturn position.

	Budget	Forecast	In Year Transfer To/ (From) Reserves	Variance Month 9	Variance Month 8
	£000	£000	£000	£000	£000
Community Health and Adult Social Care	79,302	83,089	(2,924)	864	815
Children's Services	69,981	87,463	(3,242)	14,240	13,386
Public Health	24,342	25,949	(1,933)	(327)	(305)
Communities	9,030	9,039	(355)	(346)	(194)
Place and Economic Growth	60,089	67,278	(1,748)	5,442	5,312
Corporate Services	30,318	28,597	-	(1,721)	(1,310)
Capital, Treasury and Technical Accounting	25,788	25,714	(1,436)	(1,509)	(1,510)
<b>NET EXPENDITURE</b>	<b>298,850</b>	<b>327,130</b>	<b>(11,638)</b>	<b>16,642</b>	<b>16,194</b>
<b>FINANCED BY:</b>					
Collection Fund Surplus	(4,130)	(4,130)	-	-	-
General Use of Reserves	(12,786)	(12,786)	-	-	-
Transfer to Earmarked Reserves - Business Rates Retention Pilot Gain	1,209	1,209	-	-	-
Other Financing	(283,144)	(283,144)	-	-	-
<b>TOTAL FINANCING</b>	<b>(298,851)</b>	<b>(298,851)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET FORECAST VARIANCE</b>	<b>-</b>	<b>28,280</b>	<b>(11,638)</b>	<b>16,642</b>	<b>16,194</b>

2.7 As this financial monitoring report reflects the financial position at Quarter 3 (Month 9), it can be regarded as an indication of the year end position. Every effort will be made to further reduce the forecast variance by the year end to mitigate any potential impact on the 2024/25 budget.

2.8 The original approved capital programme for 2023/24 totalled £110.305m. The revised capital programme as at month 9 taking account of approved carry forwards, approved new funding, new schemes and variations and proposed variations/ re-phasing gives projected revised expenditure of £79.466m. Actual expenditure at month 9 was £52.765m (66.40% of the forecast outturn). Further details of expenditure and schemes within the capital programme can be found in Annex 2.

### 3 Options/Alternatives

3.1 The options that the Governance, Strategy and Resources Scrutiny Board might consider in relation to the contents of this report are;

- a) to consider the forecast revenue and capital positions presented in the report including proposed changes
- b) to propose alternative forecasts

#### **4 Preferred Option**

4.1 The preferred option is that the Governance, Strategy and Resources Scrutiny Board considers the forecasts and changes within this report; option (a) at 3.1.

#### **5 Consultation**

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

#### **6 Financial Implications**

6.1 The full financial implications are detailed in the report.

#### **7 Legal Services Comments**

7.1 There are no legal issues at this time.

#### **8 Co-operative Agenda**

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

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

#### **9 Human Resources Comments**

9.1 There are no Human Resource implications.

#### **10 Risk Assessments**

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

#### **11 IT Implications**

11.1 There are no IT implications.

#### **12 Property Implications**

12.1 There are no Property implications.

#### **13 Procurement Implications**

13.1 There are no Procurement implications.

#### **14 Environmental and Health & Safety Implications**

14.1 There are no Environmental and Health and Safety implications.

#### **15 Equality, Community Cohesion and Crime Implications**

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

#### **16 Implications for Children and Young People**

16.1 There are no direct implications for Children and Young People

**17 Equality Impact Assessment Completed**

17.1 Not Applicable.

**18 Key Decision**

18.1 Yes

**19 Key Decision Reference**

19.1 FLC-07-23

**20 Background Papers**

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

File Ref: Revenue Background Papers are contained in Annex 1 including Appendices 1 and 2.

Officer Name: Lee Walsh  
Contact: lee.walsh@oldham.gov.uk

File Ref: Capital Background Papers are contained in Annex 2 including Appendices A to I

Officer Name: James Postle  
Contact No: James.Postle@oldham.gov.uk

**21 Appendices**

**Annex 1 Revenue Budget Monitoring Report 2023/24 Quarter 3 (Month 9) – December 2023**

Appendix 1 Financing of the 2022/23 Revenue Budget at Month 9  
Appendix 2 Analysis of Grants

**Annex 2 Capital Investment Programme Report 2023/24 Month 9 – December 2023**

Appendix A SUMMARY – Month 9 - Community Health & Adult Social Care

Appendix B SUMMARY – Month 9 - Children’s Services

Appendix C SUMMARY – Month 9 - Communities

Appendix D SUMMARY – Month 9 - Place and Economic Growth

Appendix E SUMMARY – Month 9 - Housing Revenue Account (HRA)

Appendix F SUMMARY – Month 9 – Corporate/ Information Technology

Appendix G SUMMARY – Month 9 - Capital, Treasury and Technical Accounting

Appendix H SUMMARY – Month 9 - Funds for Emerging Priorities

Appendix I SUMMARY – Month 9 - Proposed Variations

# ANNEX 1

## REVENUE BUDGET MONITORING REPORT 2023/24 Quarter 3 – December 2023

### 2 Background

2.1 The Authority's 2023/24 revenue budget was approved by Council on 1 March 2023 at a sum of £287.051m incorporating:

- The use of £4.130m of surplus Collection Fund resources to support the 2023/24 revenue budget;
- Budget Reductions approved in 2021/22 and 2022/23 resulting in a budgetary impact of £3.655m for 2023/24;
- £16.313m of Budget Reductions approved within the 2023/24 budget;
- £12.786m use of corporate and specific reserves with an offsetting transfer to reserves of £1.209m reflecting the requirement, under the Business Rates Retention Pilot scheme, to pay the Greater Manchester Combined Authority a share of Retained Business Rates income; and
- £2.600m of capital receipts in line with the flexibilities agreed by Secretary of State for Levelling Up, Housing and Communities.

2.2 Under established budget procedures all services are required to monitor and review their approved budgets during the financial year. As part of this process, a forecast of the year-end position has been prepared by all services. The forecast is based on a comparison of profiled budgets to the actual position as at the end of month 9 together with known commitments, issues and planned management actions.

2.3 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.

### 3 Current Position

3.1 The current net revenue budget of £298.852m represents an increase of £11.801m against the originally approved budget of £287.051m and an increase of £2.000m from the £296.852m reported at month 8. This increase is due to the utilisation of capital grants reflecting the reporting arrangements when preparing the Statement of Accounts. A full funding analysis can be found at Appendix 1.

3.2 The current position for 2023/24 at Month 9 is a projected adverse variance of £16.642m. This represents an adverse movement of £0.449m compared to the position reported at Month 8 (£14.194m). The year-end position has been prepared by all services and section 8 provides more detail about the approved and planned



use of reserves at month 9. The table below shows the year-end forecast position against budget for each Portfolio.

**Table 1 – Summary Forecast Revenue Outturn**

	Budget	Forecast	In Year Transfer To/ (From) Reserves	Variance Month 9	Variance Month 8
	£000	£000	£000	£000	£000
Community Health and Adult Social Care	79,302	83,089	(2,924)	864	815
Children's Services	69,981	87,463	(3,242)	14,240	13,386
Public Health	24,342	25,949	(1,933)	(327)	(305)
Communities	9,030	9,039	(355)	(346)	(194)
Place and Economic Growth	60,089	67,278	(1,748)	5,442	5,312
Corporate Services	30,318	28,597	-	(1,721)	(1,310)
Capital, Treasury and Technical Accounting	25,788	25,714	(1,436)	(1,509)	(1,510)
<b>NET EXPENDITURE</b>	<b>298,850</b>	<b>327,130</b>	<b>(11,638)</b>	<b>16,642</b>	<b>16,194</b>
<b>FINANCED BY:</b>					
Collection Fund Surplus	(4,130)	(4,130)	-	-	-
General Use of Reserves	(12,786)	(12,786)	-	-	-
Transfer to Earmarked Reserves - Business Rates					
Retention Pilot Gain	1,209	1,209	-	-	-
Other Financing	(283,144)	(283,144)	-	-	-
<b>TOTAL FINANCING</b>	<b>(298,851)</b>	<b>(298,851)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET FORECAST VARIANCE</b>	<b>-</b>	<b>28,280</b>	<b>(11,638)</b>	<b>16,642</b>	<b>16,194</b>

3.3 There are significant variances contained within the projected net overspend. There are currently three areas which are forecasting pressures at month 9;

- Children's Services is forecasting a pressure of £14.240m, the most significant contributing factor to the adverse variance;
- Place and Economic Growth is forecasting a pressure of £5.442m; and
- Community Health and Adult Social Care is forecasting a pressure of £0.864m.

The forecast overspends are offset by a series of favourable variances totalling £3.904m being reported within; Capital, Treasury and Corporate Accounting (£1.509m, no change from month 8), £0.327m within Public Health (£0.305m at month 8), £0.346m within Communities (£0.194m at month 8) and £1.721m within Corporate Services (£1.310m at month 8).

More information on these variances is provided in summary in the following paragraphs and in detail in Section 3.

3.4 It is important to note that eight 2023/24 approved budget reductions totalling £1.403m will not to be achieved and are therefore rated 'Red. In addition, one further reduction is rated 'Amber/ Red - with £0.040 of a possible £0.060m forecast not to be achieved. Further details are provided in section 3. In addition, there are a further two Budget Reductions with a combined value of £0.880m rated 'Amber. These are expected to be delivered by year end. Therefore, £1.443m of the projected adverse variance in table 1 is due to the failure to deliver budget reductions.

- 3.5 In view of the projected and increasing adverse variance, Management instruction have been put in place 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.

In effect this is a continuation of actions that were initiated last year (and previous years), however, the variance at month 9 and throughout 2023/24 is much more significant than that at any point during 2022/23. It is therefore essential that this approach is rigorously applied and where possible, any transformation programme projects linked to savings are accelerated.

- 3.6 The effectiveness of management action and corporate procedures will continue to be closely monitored by Management Teams right up to the end of the financial year. Management action should ease the overall financial pressures, and the impact of such action will be reported in the final outturn report.

### 3 Portfolio Summaries

#### 3.1 Community Health and Adult Social Care

- 3.1.1 The Portfolio provides social care support to adults and carers across Oldham with a key aim of integrating and aligning the work with health partners to achieve greater efficiency in service delivery and better outcomes for the resident or patient. This covers both the commissioning and the provision of services. The following table shows the forecast position for the Portfolio at month 9.

**Table 2 – Community Health and Adult Social Care- Forecast Outturn**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Clusters	3,098	2,964	-	(134)
Commissioning	17,963	19,196	(1,500)	(267)
Community Business Services	1,177	1,514	(797)	(460)
Community Health & Social Care	28,400	29,286	-	886
Director Adult Social Care	1,916	2,359	(627)	(185)
Learning Disability	15,888	16,572	-	685
Mental Health	9,846	10,187	-	341
Safeguarding	1,013	1,010	-	2
<b>Total Forecast Net Expenditure</b>	<b>79,302</b>	<b>83,088</b>	<b>(2,924)</b>	<b>863</b>

#### Summary

- 3.1.2 The Portfolio has a projected overspend of £0.863m, an increase of £0.049m compared to the £0.815m reported at month 8 and incorporates the use of reserves of £2.924m.

- 3.1.3 Short stay provision that has been repurchased as permanent placements following Care Act reassessments which has resulted in a significant number of residential and nursing care packages becoming a long-term requirement which has consequently presented the service with an increase of backdated and previously unbudgeted costs.

#### Clusters

- 3.1.6 The Cluster service area is reporting an underspend forecast position of £0.134m previously forecast at £0.076m at month 8. The variance relates to vacant posts, mostly Social Worker posts across the service.

#### Commissioning

- 3.1.7 The service at month 9 is reporting a forecast underspend of £0.267m an increase of £0.251m from the underspend position of £0.051m as at month 8. The reduction in costs relates primarily to the Millbrook contract for community equipment where there has been a further decrease in activity (£0.231m). The service also has a number of vacant posts following a restructure that have not been recruited to resulting in an underspend of (£0.203m), this combined with efficiencies in the ASC contract management fees (£0.125m) and an increase in income for helpline (£0.054m) has increased the underspend position. These underspends are offset by pressures on the core Supported Living contracts (£0.134m) and the cost for a temporary team of Social Workers deployed to undertake emergency Care Act assessments linked to establishment of Oldham Total Care.

#### Community Business Services

- 3.1.8 Community Business Services is forecasting a £0.460m underspend. The variance is made up from vacant posts (£0.432m), which are partially offset against agency costs and other employee expenses £0.142m. There is also the recovery of unbudgeted income from deferred payments (£0.184m) and additional income from the CF grant totalling (£0.048m), but this is offset by overspends for the Civica contract and other non-pay expenditure totalling £0.062m. The Reform and Improvement Programme forms part of this Service Area and is fully funded from reserves with an expected drawdown in 2023/24 of £0.797m. An updated report was presented to Management Board outlining the programmes revised priorities and the implications of the Care Quality Commission statutory reforms.

#### Community Health and Social Care

- 3.1.9 The CHASC service area is projecting an overspend of £0.886m which is an adverse movement of £0.400m compared to month 8. The variance relates to increased cost pressures within residential care placements of £0.382m and increased activity for home care packages of £1.038m. This, in part, is being offset by vacant posts within the IDT and Sensory Teams of (£0.115m) and over achievement against residential & short stay income targets of (£1.138m), due to a high volume of outstanding financial assessments being completed by an external agency. As operational teams continue to work through backlogs the service has seen an increase in the number of short stay placements becoming permanent. The main movement relates to individuals with physical support.

## Director of Adult Social Care (DASS)

- 3.1.10 When compared to Month 9 there is a favourable movement of £0.179m which results in a forecast underspend of £0.185m at month 9. The variance is a result of an increase in vacant posts and an increase in staffing recharges that total £0.185m.

### Learning Disability

- 3.1.11 The Learning Disability service is forecasting an adverse variance of £0.685m, which is an increase of £0.388m compared to month 8. The overspend is mainly due to the increase in demand in homecare at £0.260m and supported living at £0.336m, direct payments, nursing and shared lives at £0.094m which has been mitigated slightly by a reduction in residential, short stay and respite care at (£0.116m). In addition, there are 14 vacant posts which has resulted in a forecasted underspend in salaries of (£0.044m) and an increase of CHC income of (£0.145m).

### Mental Health

- 3.1.12 The Mental Health (MH) service is projecting an overspend of £0.341m an increase of £0.029m compared to month 8. The increase in costs is due to backdated payments and the rising number of individuals in residential care at £0.308m, nursing care at £0.451m, Direct Payments at £0.042m and Supported Living of £0.108m. The increase in CHC contribution to care (£0.593) and the decrease of (£0.289m) in salary costs has offset the increase in costs.

### Safeguarding

- 3.1.13 Safeguarding is reporting a minor adverse variance of £0.002m with favourable variances within the Safeguarding Team of £0.028m and Safeguarding Board £0.009m counteracting a £0.039m overspend in the MASH Team.

### Achievement of Budget Reductions

- 3.1.14 The Portfolio has approved Budget Reductions of £3.574m in 2023/24 all of which are fully delivered.

## 3.2 Children's Services

- 3.2.1 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio as at month 9.

**Table 3 – Children's Services**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Children's Social Care	54,439	68,056	(269)	13,348
Education, Skills & Early Years	12,031	14,714	(1,792)	890
Preventative Services	3,551	4,733	(1,182)	0
Schools	(39)	(39)	-	0
<b>Total Forecast Net Expenditure</b>	<b>69,981</b>	<b>87,463</b>	<b>(3,242)</b>	<b>14,240</b>

## Summary

- 3.2.2 The Portfolio has a projected overspend £14.240m an increase of £0.853m on the £13.386m reported at month 8, incorporating a £2.305m use of reserves. The principal underlying reasons are detailed in the following paragraphs.

### Children's Social Care

- 3.2.3 This Directorate is projecting a £13.348m overspend at month 9 compared to £12.496m overspend at month 8 the forecast incorporates a £0.269m use of reserves; an increase of £0.8524m. The principal underlying reasons are detailed below.

### Children in Care

- 3.2.4 Children's in Care is reporting an adverse variance of £11.163m, a deterioration of £1.487m from the £9.676m reported at month 8. An increase in placements costs of £1.319m is driven by increases in Out of Borough/ Residential care (£0.890m) and Semi-independence (£0.217m).

### Children's Fieldwork and Family Support

- 3.2.5 The area is forecasting a pressure of £2.803m a reduction of £0.170m compared to the month 8 position of £2.973m. It should be noted that the Children's Social Care Integration Management Costs and Business Support service areas, with a combined underspend of £0.468m have transferred to the newly created Children's Service Integration. There is a net overspend of £2.388m on staffing costs, in addition, there are pressures for no recourse to public funds £0.124m, assistance to families grants £0.203m and legal fees £0.075m with other minor variances totalling £0.013m accounting for the remainder.

### Children's Safeguarding

- 3.2.6 The area is reporting a favourable variance of £0.301m compared to £0.154m at month 8, the improvement of £0.147m is due to the transfer of the Data and Performance team (with a corresponding forecast overspend of £0.151m) to the newly created 'Children's Services Integration' service area. The residual underspend of £0.154m is due to delays in recruiting to established posts.

### Children's Services Integration

- 3.2.7 A newly created service are with services and budgets being transferred from Fieldwork and Family Support and Children's Safeguarding as referenced in sections 3.2.5 and 3.2.6, with a net favourable variance of £0.317m
- 3.2.8 Against a backdrop of increased demand nationally and particularly in the North West, factors such as poverty, deprivation, the legacy of the pandemic, and cost of living crisis continue to have a significant impact on the ability of children and young people in Oldham to enjoy a happy, healthy, and safe childhood. The main pressures that have carried forward into 2023/24 and which are driving the current financial position are the number and cost of children placed out of borough and the continued reliance on agency staff to address additional demand and also to help maintain a fully established workforce. The hourly rates paid to staff engaged

in this manner have significantly increased in the last two years. Disappointingly, the projected overspend is despite the significant additional funding of £14.700m that has been invested in the service for the current financial year; £11.800m intended to stabilise the financial position with further one-off, net investment of £2.900m funded from reserves to pump prime a number of invest to save initiatives aimed at improving services but also delivering budget reductions over the period to 2028/29.

3.2.9 Whilst it is acknowledged that demand cannot be wholly controlled, Senior Management is dedicated to addressing the issues affecting the service. The Children's Transformation Programme (CTP) has been set up in order to drive forward the operational changes required and to facilitate delivery of the invest to save initiatives. Governance of the programme is through the CTP board, chaired by the Managing Director of Children and Young People. The programme consists of six strands of activity, as outlined below:

- Placement Sufficiency;
- Workforce;
- Early Intervention and Prevention;
- Children and Young People's Mental Health;
- Speech, Language and Communication; and
- SEND Improvement.

3.2.10 The overall impact of the transformation programme will continue to be monitored, however, it is important to note that should the current level of overspending remain unaddressed and continue, it will have a significant budgetary implication for 2024/25 and beyond as well as reduce the overall financial resilience of the Council.

#### Education, Skills and Early Years

3.2.10 The area is reporting a £0.890m pressure, including the use of reserves totalling £1.792m. The position is unchanged from the previous month.

3.2.11 The main pressure within this service area remains in relation to home to school transport; £1.183m which includes non-delivery of a related budget reduction with a value of £0.372m. The service is reviewing the current model and new routes with a tendering exercise for the start of the academic year. There is a further pressure of £0.040m in relation to fees received for supporting schools through the process of converting to an academy. Both the pressures are linked to the non-delivery of a related budget reduction as referred to in section 3.2.13 below. The overspend is netted down by a series of predominantly staffing related favourable variances throughout the Portfolio with a total, net value £0.333m.

#### Preventative Services

3.2.12 The area is incorporating a use of reserves totalling £1.182m and continues to forecast a balanced outturn as at Month 9.

#### Achievement of Budget Reductions

3.2.13 Budget reductions for the Directorate in 2023/24 total £1.133m of which £0.721m are rated 'Green– Has / is expected to be fully delivered'. The Budget Reduction;

School Support- Academisation (£0.060m) is currently rated ‘Amber/ Red – being closely monitored in year with elements expected not to be delivered’ with £0.040m currently forecast not to be achieved. In addition, the budget reduction ‘Special Education Needs and Disability (SEND) Education Provision’ with a value of £0.372m is now rated Red- will not / is not expected to be delivered in full’ as a consequence of being linked to the pressure in relation to home to school transport (as advised as 3.5).

### 3.3 Public Health

3.3.1 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio at month 9.

**Table 4 – Public Health**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Public Health (Client & Delivery)	19,650	20,471	(1,138)	(317)
Leisure Services	4,692	5,478	(796)	(10)
<b>Total Forecast Net Expenditure</b>	<b>24,342</b>	<b>25,949</b>	<b>(1,934)</b>	<b>(327)</b>

#### Summary

3.3.2 The Portfolio has a projected underspend of £0.327m and incorporates the use of reserves of £1.934m. The principal underlying reasons are detailed below.

3.3.3 Public Health (Client and Delivery) is showing an underspend of £0.317m as at month 9 which is due to slippage on staffing costs and eligible staffing costs being charged to the Contain Outbreak Management Fund (COMF) grant, which in the main accounts for the majority of the reserves. The grant as first received in 2021/22. It has been possible to carry forward this grant into 2023/24 and 2024/25. The additional expenditure would not be incurred without the availability of this grant funding,

3.3.4 The Leisure Services is reporting an underspend of £0.010m at month 9 compared to a break-even position as at month 8.

#### Achievement of Budget Reductions

3.3.5 Budget reductions for the Directorate total £0.544m of which £0.534m are rated ‘Green – Has / is expected to be fully delivered’. The Budget Reduction ‘School Swimming Service’ with a value of £0.010m is rated ‘Red – will not / is not expected to be delivered in full.

### 3.4 Communities

3.4.1 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio at Month 9.

**Table 5 – Communities**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Community Services	2,461	2,311	(300)	(451)
Heritage, Libraries and Arts	5,809	5,875	(55)	11
Youth Service Client	759	853	0	93
<b>Total Forecast Net Expenditure</b>	<b>9,030</b>	<b>9,039</b>	<b>(355)</b>	<b>(346)</b>

### Summary

- 3.4.2 The Portfolio has a projected underspend of £0.346m (£0.194m at month 8) and incorporates and incorporates a net use of reserves totalling £0.571m.

#### Community Services

- 3.4.3 The area is reporting an underspend of £0.451m at month 9 which relates to vacancies in the District Partnerships team.

#### Heritage Libraries and Arts

- 3.4.4 The service is reporting an overspend of £0.011m compared to £0.072m at month 8, which relates to reduced pressures on staffing costs and non-pay costs (operational materials)

#### Youth Services Client

- 3.4.5 The service is reporting an overspend of £0.093m at month 9. There is an ongoing income pressure of £0.109m within Outdoor Education which is offset in part by the generation of additional income in Youth Services and eligible staff time charged to the Homes for Ukraine grant.

### Achievement of Budget Reductions

- 3.4.6 The single Budget Reductions for the Directorate has a value of £0.060m and is rated 'Green – Has / is expected to be fully delivered'.

## 3.5 Place and Economic Growth

- 3.5.1 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio at month 9.

**Table 6 – Place and Economic Growth**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Economy	3,949	10,400	(1,802)	4,650
Environmental Services	56,140	56,879	54	792
<b>Total Forecast Net Expenditure</b>	<b>60,090</b>	<b>67,278</b>	<b>(1,748)</b>	<b>5,441</b>



## Summary

- 3.5.2 The Portfolio has a projected overspend of £5.441m (£5.312m at month 8) and incorporates a net use of reserves totalling £1.748m. The principal underlying reasons are detailed below.

### Environmental Services

- 3.5.3 The area is forecasting an overspend of £0.792m (£0.885m at month 8) and after incorporating a transfer to reserves of £0.054m. The main reasons for the adverse variance are detailed below:

- The Waste Management Services is currently expected to overspend by £0.391m due to increasing demands for the service and staff and non-pay pressures
- The Highways Service is expected to overspend by £0.627m (£0.782m overspend as at month 8) relating to the use of agency staff cover and increased material costs. The increase is due to the prudent projection of a Winter Maintenance pressure of approximately £0.200m. Whilst the severity of the winter is obviously unknown historic pressures and the rising cost of materials have informed the projection;
- The Public Protection is expected to underspend by £0.231m (£0.258m underspend as at month 8) principally as a result of vacant posts within the service being recruited and the resulting reduction in agency spend forecasts.
- The Street Lighting Service is expected to underspend by £0.148m compared to £0.086m at month 8, as a result of expected deductions from the PFI contract, it should be noted this is separate to the Street Lighting dimming and trimming budget option;
- The Environmental Management Service is expected to underspend by £0.054m (£0.015m underspend as month 8) with pressures in supplies and services and vehicle costs totalling £0.380m, offset by vacant posts and additional income in the Cemeteries and Crematoria totalling £0.326m; and
- In addition, Building Control is forecasting an overspend of £0.088m with pressures anticipated against income in relation to Building Regulations fees and within Fleet Management, there is a small overspend of £0.001m.

### Economy

- 3.5.4 The area is forecasting an overspend of £4.650 (£4.427m at month 8) after a £1.802m transfer from reserves. The main reasons are detailed below:

- The Estates and Property Management Services are currently expected to overspend by £1.627m (£1.716m overspend as at month 8) due to pressures against the repairs and maintenance (£0.747m), rates (£0.121m), security (£0.200m) and Property Management (£0.559m) budgets. Potential management actions around property works programmed in year could reduce the forecast. The service is currently offsetting some of these pressures through vacant posts and the subsequent salary savings

- The Strategic Housing Service is currently projected to overspend by £2.941m (£2.547m overspend as at month 8) due to continuing demand pressures for Temporary Accommodation totalling £3.132m being offset by use of the homelessness reserve of £0.195m.
- The Planning Service is expected to overspend by £0.174m (£0.095m overspend as at month 8) due to expected under-recovery of Planning Fee income. The total Planning service income budget target for 2023/24 is £0.994m. The income target has been amended to reflect national planning fee increases due to come into place as of December 2023.
- The Facilities Management Service is currently projecting an underspend of £0.069m (£0.013m underspend as at month 8), this due to vacant posts and the subsequent salary savings of £0.448m. This is offset with shortfalls against income targets of £0.166m in addition to an overspend on supplies & services of £0.213m.
- The Town Centre and Markets Service area is currently projecting an underspend of £0.052m as at Month 9. This is due to premises related pressures of £0.048m and shortfalls against income targets totalling £0.067m offset by savings against vacant posts within the service of £0.033m.
- The Creating a Better Place service is expected to be in line with budget after application of £1.390m of reserves. Grant funding opportunities to reduce the reliance on reserves are being investigated by the service; and
- The Business Growth service is currently projecting an overspend of £0.027m). This is largely due to staffing cost pressures of £0.060m and pressures against supplies and services and other non-pay of approximately £0.019m offset by additional income of £0.052m.

#### Achievement of Budget Reductions

- 3.5.5 Budget reductions for the Portfolio in 2023/24 total £2.493m of which £0.672m are rated 'Green – Has / is expected to be fully delivered'. One budget reduction is rated 'Amber – being closely monitored but expected to deliver' with a value of £0.800m. Six Budget Reductions 'with a combined value of £1.021m are now rated 'Red - Will not/ is not expected be delivered in full.

### 3.6 Corporate Services

- 3.6.1 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio at month 9.

**Table 7 – Corporate Services**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Chief Executive, Management and Executive Office	4,919	4,702	0	(217)
Commissioning and Procurement	557	506	0	(52)
Finance	8,188	7,328	0	(860)
Legal Services	3,772	3,901	0	130
Communications and Research	997	1,072	0	75
Customer, Digital and Transformation	7,644	7,069	0	(576)
Strategy and Performance	998	985	0	(13)
HR & Organisational Development	3,243	3,035	0	(209)
<b>Total Forecast Net Expenditure</b>	<b>30,318</b>	<b>28,597</b>	<b>0</b>	<b>(1,721)</b>

### Summary

- 3.6.2 The Portfolio has a projected underspend of £1.721m (£1.310m at month 8). The principal underlying reasons are detailed below.

#### Chief Executive, Management and Executive Office

- 3.6.3 The area is reporting an underspend of £0.217m (£0.175m at month 8), mainly as a result of vacant post and reduced pension costs.

#### Commissioning and Procurement

- 3.6.4 The Division is reporting an underspend of £0.052m (£0.001m underspend reported at month 8). The service is projecting an income pressure of £0.025m against the Early Payment scheme. It continues to experience difficulties in recruiting to permanent posts, this is resulting in the continuation of interims £0.410m which is offset by vacant posts of £0.405m.

#### Finance

- 3.6.5 The Division is reporting an underspend of £0.860m (£0.711m at month 8). The Finance Division has a number of vacant posts, underspends on non-pay budgets and increased income for staff time spent on European grant funded projects.

#### Legal Services

- 3.6.6 The service is reporting an overspend of £0.130m (£0.180m at month 8). There are staffing pressures in Legal due to the use of agency staff £0.376m which is offset in part by vacant posts across the Division £0.203m. There continues to be a pressure in relation to schools buy back income which has been offset by increased income in Registrars and additional grant income received for the Local Election

#### Communications and Research

- 3.6.7 The service is recording an overspend of £0.075m at month 9 compared to a breakeven position at month 8, this relates to expenditure incurred on the Place Marketing project. The position is after reversing a previously anticipated

drawdown of £125k from Placew Marketing and Transformation reserves and transferring £0.200m into reserves.

#### Customer, Digital and Transformation

- 3.6.8 The Division is reporting an underspend of £0.576m (£0.433m at month 8). There are several vacant posts across the Division which is offset in part by agency costs in ICT and Customer Services. There is a pressure of £0.094m on the amount of income receivable from Health and a pressure of £0.231m on third party ICT costs. This has been offset in part from increased fees charged to the capital programme (£0.113m).

#### Strategy & Performance

- 3.6.9 Strategy & Performance is reporting an underspend of (£0.013m) at month 9 which mainly relates to slippage on vacant posts (£0.126m), which is partially offset by cost incurred in relation to the Local Improvement Fund. There is a reserve to cover the costs associated with the Local Improvement Fund (LIF), however, due to an overall service underspend the drawdown of the reserve is not required.

#### Human Resources (HR) and Organisational Development

- 3.6.10 The service is reporting an under spend of £0.209m (underspend of £0.077m at month 8). There are vacant posts totalling (0.810m) which are offsetting an income pressure of £0.331m in relation to schools buy back and funding from Health which has ceased. In addition, there is a pressure of £0.250m

#### Achievement of Budget Reductions

- 3.6.11 Budget reductions for the Portfolio in 2023/24 total £0.870m of which thirteen totaling £0.790m are rated 'Green – Has / is expected to be fully delivered'. One Budget Reduction with a value of £0.080m is rated 'Amber – being closely monitored but expected to deliver'.

### 3.7 Capital, Treasury and Technical Accounting

- 3.7.1 The following table shows the forecast position for the Portfolio at Month 9.

**Table 8 – Capital, Treasury and Technical Accounting**

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Capital Treasury and Technical Accounting	24,438	24,364	(1,436)	(1,509)
Corporate and Democratic Core	1,003	1,003	0	0
Parish Precepts	347	347	0	0
<b>Total Forecast Net Expenditure</b>	<b>25,788</b>	<b>25,714</b>	<b>(1,436)</b>	<b>(1,509)</b>

## Summary

### Capital, Treasury and Technical Accounting

- 3.7.2 The Portfolio holds the budgets associated with the Council's Treasury Management activities including interest payable on borrowing and interest receivable on investments and is reporting an underspend of £1.509m which is a virtually unchanged position from that reported at month 8.
- 3.7.3 There are favourable variances of £1.615m due to higher levels of interest receipts on external investments with further favourable variances of £0.107m against cash collections, bank charges and professional fees.
- 3.7.4 The Housing Benefit service is projecting a favourable variance of £0.043m. This is based upon the Department for Work and Pensions Statement of Local Authority claimed Entitlement to Housing Benefit Subsidy Form for the financial year ending March 2024.
- 3.7.5 The Procurement Framework income target is forecast to be £0.256m under by year end. This pressure is offsetting the underspends elsewhere in the portfolio.
- 3.7.6 Additional income of £2.837m has been received from the Greater Manchester Combined Authority (GMCA), this being the Council's share of a £27.000m GM wide waste reserve refund. This has been transferred to Earmarked Reserves to support the future financial resilience of the Council.

### Achievement of Budget Reductions

- 3.7.7 Budget Reductions for the Portfolio in 2023/24 total £11.295m, all of which are rated Green and have been fully delivered.

## **4 Other Grants and Contributions Received by the Council**

- 4.1 The Council has received a number of specific grants from the Government or other organisations which have been ringfenced to Portfolios to be utilised on certain defined activities. At month 9, excluding the DSG as outlined in Section 5.1, Portfolios are forecasting a total of £115.494m of ringfenced grants to be used for specific purposes which have been either new notifications for 2023/24 or grants received in prior years where terms and conditions allow for usage in the current and potentially future years. The table below shows the total grants forecast by Portfolios up to month 9.

**Table 9 – Grants Ringfenced to Portfolios**

<b>Portfolio</b>	<b>Govt. Grants £000</b>	<b>Other Grants £000</b>	<b>Total 2023/24 £000</b>
Community Health and Adult Social Care	-7,021	-15,097	-22,118
Children's Services	-17,897	-12	-17,909
Public Health	-1,138	-104	-1,242
Communities	-2,538	-715	-3,253
Place and Economic Growth	-5,172	0	-5,172
Corporate Services	-5,700	-303	-6,003
Capital, Treasury and Technical Accounting	-40,997	0	-40,997
<b>Total Ringfenced Grants include within the Net Revenue Budget</b>	<b>-80,503</b>	<b>-16,192</b>	<b>-96,695</b>
Housing Revenue Account	-18,799	0	-18,799
<b>Total</b>	<b>-99,302</b>	<b>-16,192</b>	<b>-115,494</b>

4.2 As highlighted in the table above, grants (excluding COMF and the DSG) received in previous years and carried forward into 2023/24 and new allocations for 2023/24, total £115.494m; of this sum, £96.695m is within the Net Revenue Budget and £18.799m within the Housing Revenue Account. Dependant on the terms and conditions of the individual grant, some of the above income could be carried forward into 2024/25 to be utilised in future financial years.

4.3 Of the £96.695m of General Fund allocations, the largest single category carries a value of £40.977m and relates to Housing Benefit Subsidy Grant which is included within the Capital, Treasury and Technical Accounting Portfolio, comprising £35.455m for Rent Allowances and £5.542m for Rent Rebates. In addition, £15.097m relates to the Better Care Fund Grant which is awarded by NHS England and distributed by Integrated Care Boards which is included within the Community Health and Adult Social Care net revenue budget. A further £13.262m relates to PFI Credits received to support unitary charge payments across the Council's four General Fund PFI schemes. A further two PFI schemes, with grant totalling £18.799m operate within in the Housing Revenue Account. A full list of these grants can be found at Appendix 2.

## **5 Schools**

5.1 The Council's expenditure on schools is funded primarily by the Dedicated Schools Grant (DSG) which is provided by the Department for Education. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools' Budget, as defined in the School and Early Years Finance (England) Regulations 2022. The Schools' Budget includes elements for a range of educational services provided on an Authority wide basis and for the Individual Schools Budget which is divided into a budget share for each maintained school. The Dedicated Schools Grant settlement for 2023/24 was again updated in November 2023, following which, the total estimated Oldham funding allocation for 2023/24 is £321.956m, £177.151m after excluding the recoupment for academies and post-16 further education (FE) provision and is split across the four funding blocks that comprise the DSG as follows:

- Schools - £240.592m (£110.565m after excluding the recoupment for academies)
- High Needs - £59.146m (£44.368m after excluding the recoupment for academies and Post 16)
- Early Years - £19.757m
- Central Schools Services - £2.461m

5.2 For a number of years there was a considerable financial pressure on the DSG, particularly in the High Needs Block which had been in a deficit position since 2016/17. This was historically due to expenditure exceeding the High Needs budget available each year and is after approved transfers between the Schools and High Needs Blocks of £8.296m between 2016/17 and 2021/22. As shown in the table below, the High Needs Block Deficit, if taken as a stand-alone element without the transfers, was £11.508m at the start of 2023/24. Notwithstanding the emergence of the reducing deficit, there remain operational pressures which the service are working to address, these include:

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

5.3 Incorporating the cumulative support from the Schools Block the High Needs deficit brought forward into 2023/24 is £3.212m. The High Needs Block is currently forecasting an in year surplus of £2.556m, reducing the projected High Needs deficit at the end of 2023/24 to £0.656m, as illustrated in the table below.

**Table 10 – DSG High Needs Block**

<b>DSG High Needs Block</b>	<b>2023/24 £000</b>
Gross Deficit Brought Forward	11,508
Less- Virement from Schools Block- 2016/17 to 2021/22	(8,296)
Deficit Brought Forward 01/04/2023	3,212
2023/24	
Original High Needs Budget Allocation	(59,146)
Estimated Expenditure	56,590
Projected in Year (Surplus)	(2,556)
<b>Projected High Needs Block Deficit 31/03/2024</b>	<b>656</b>

### **Overall DSG Position and Management Plan**

5.4 The DSG had been in a deficit position since 2016/17 and Oldham was supported by the Education and Skills Funding Agency (ESFA) in its monitoring and management of the DSG. As a consequence, the Council has been required to agree a DSG Financial Recovery Plan (now the DSG Management Plan) to demonstrate how, at least a balanced position could be achieved. The plan was first submitted to the Department for Education (DfE) in 2019 since when it has been continuously updated to take account of estimated additional cost pressures, formal

notifications of additional funding and the agreed funding methodology including the transfer of DSG funding between the Schools and the High Needs Funding Blocks that has been undertaken in prior years.

- 5.5 The table below shows the latest DSG Management Plan as at January 2024, which was shared with the Schools Forum at its meeting on 17 January 2024. As previously reported the DSG deficit of £2.773m at the end of 2021/22 had become a surplus of £0.899m at the end of 2022/23. The achievement of a surplus for the first time since 2016/17 represents a major financial milestone for the Council. Taking the opening surplus as the starting point, the in-year forecast surpluses of £2.662m (including anticipated Growth underspend of £0.545m carried forward into 2024/25) and £0.826m in the current and following financial years deliver cumulative surpluses of £3.561m and £4.387m in each of 2023/24 and 2024/25 respectively. A further in year surplus of £0.476m in 2025/26 produces a forecast surplus of £4.863m at 31 March 2026. The sustained and improving position will be further assisted by the work undertaken as part of the DBV programme referred to below.

**Table 11 – Overall DSG Position**

<b>DSG Management Plan 2023/24 to 2025/26</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>
Schools Block (excludes central services)	240,592	255,312	255,312
Central Schools Services Block	2,461	2,352	2,352
High Needs Block – pre/post 16	59,146	61,474	62,570
Early Years Block	15,748	17,771	17,771
Two Year Olds' Funding	3,653	12,198	12,198
Early Years Pupil Premium	226	424	424
Early Years Disability Access Fund	130	216	216
<b>Total Grant</b>	<b>321,956</b>	<b>349,747</b>	<b>350,843</b>
<b>Budget Requirement</b>			
Individual Schools Budgets	241,032	255,857	255,312
Early Year Funding Delegated to Schools	7,108	8,240	8,240
High Needs Funding for Schools (incl Post 16)	45,437	47,578	49,569
Total Delegated to Schools	293,577	311,675	313,121
Central Schools Services	2,461	2,352	2,352
Central Early Years Services	1,047	899	899
Central High Needs Services	11,153	12,525	12,525
Three and Four Year old PVI's	7,765	8,998	8,998
Two Year Old Funding	3,480	11,832	11,832
Total Retained Centrally	25,906	36,606	36,606
Early Years Pupil Premium	226	424	424
Early Years Disability Access Fund	130	216	216
<b>Total Budget Requirement</b>	<b>319,839</b>	<b>348,921</b>	<b>350,367</b>
<b>In Year Surplus</b>	<b>2,117</b>	<b>826</b>	<b>476</b>
Balance brought Forward	899	3,561	4,387
<b>Provisional Surplus</b>	<b>3,016</b>	<b>4,387</b>	<b>4,863</b>
Anticipated Growth underspend committed for 24/25	545	0	0
<b>Projected Surplus / (Deficit)</b>	<b>3,561</b>	<b>4,387</b>	<b>4,863</b>



## **Delivering Better Value (DBV) in SEND**

5.7 Launched in the autumn of 2022, Oldham was selected as one of the Local Authorities invited to take part in Wave 2 of the Delivering Better Value in SEND programme. With the aim of putting Local Authorities on a more sustainable footing so that they are better placed to respond to the forthcoming SEND Review reforms. The Department for Education (DfE) has provided external consultancy advice to enable participants to plan and agree improvements and a change programme. Core funding of £1.000m will be made available to the Authority on successful submission of a grant application, to the DfE. The Authority has participated in a series of workshops and undertaken a comprehensive stakeholder case review and evaluation to identify and develop solutions for the areas of highest need and most likely return/ benefit for inclusion in the grant /application. The application was submitted on 17 July 2023 with a focus on the following areas:

- Early identification and intervention to reduce EHCPS;
- Development of mainstream provision to create an alternative to special schools;
- Updating the resource allocation system;
- Post 16 pathways to ensure better progression;
- Developing and targeting support for;
  - autism
  - speech, language and communication needs
  - social, emotional and mental health

5.8 The grant application was confirmed as having been successful on 15 September 2023, at which point the Council enters into the phase 2 implementation stage. By taking part in this initiative, it is expected that it will assist the Council sustain the DSG financial position and reduce the financial pressure within the High Needs Block.

## **6 Housing Revenue Account (HRA)**

6.1 The current HRA position is presented in Table 13 and compares the initially approved HRA position to the current estimated outturn. The actual closing balance for 2022/23 at £22.584m was £0.305m higher than the final estimate of £22.279m.

6.2 The original HRA forecast for 2023/24 was for a planned in-year decrease in balances of £1.427m arising from:

- The Council choosing not to implement rental increases of up to the maximum allowable of 11.1% for 2023/24. Instead, a much lower increase at just 5% was agreed leading to a call on balances; and
- A budgeted contribution of £1.000m to the capital programme.

6.3 The current forecast is for an in-year surplus against budget of £0.005m, a net adverse movement against HRA balances of £1.422m, attributable to higher than anticipated utility costs. The projected year end HRA balance of £21.162m, represents a net £0.310m favourable movement compared to the original budget.

**Table 12 - Housing Revenue Account Forecast Position**

HRA Income & Expenditure Account	Original Budget £000	Latest 2023/24 Forecast £000	Variance to Budget £000
HRA Balances Brought forward from 2022/23	(22,279)	(22,584)	(305)
(Surplus)/ Deficit on HRA Services for 2023/24	1,427	1,422	(5)
<b>HRA Surplus Balances Carried Forward</b>	<b>(20,852)</b>	<b>(21,162)</b>	<b>(310)</b>

## 7 Collection Fund

7.1 The tables below show the forecast outturn position for the Collection Fund (the technical account within which Council Tax and Business Rates (National Non-Domestic Rates (NDR)) are managed) and the forecast position in relation to the share of balances between the Council and the Greater Manchester Combined Authority precepting Authorities.

**Table 13 - Collection Fund Forecast Position**

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Balance Brought Forward	410	(4,127)	(3,717)
Release of estimated surplus carried forward from 2022/23	(48)	(4,131)	(4,179)
<b>Prior Year Balance Brought Forward</b>	<b>458</b>	<b>4</b>	<b>462</b>
(Surplus) /Deficit for the Year	(126)	(1,043)	(1,169)
<b>Net (Surplus)/Deficit Carried Forward</b>	<b>332</b>	<b>(1,039)</b>	<b>(707)</b>

**Table 14 - Collection Fund – 2023/24 Share of Balances; Forecast Position**

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Share - Oldham Council	279	(1,019)	(750)
Share – Greater Manchester Combined Authority - Mayoral Police and Crime Commissioner	37	-	37
Share – Greater Manchester Combined Authority - Mayoral General Precept (including Fire and Rescue Services)	16	(10)	6
<b>Total Deficit/(Surplus)</b>	<b>332</b>	<b>(1,039)</b>	<b>(707)</b>

7.2 Council Tax and Business Rates are a significant source of funding for Council services. However, income from these areas can be volatile. The 2023/24 financial year is no different with the on-going cost of living crisis impacting on Council Tax collection. As such, the financial position of the Collection Fund is under constant review.

7.3 The Business Rates surplus brought forward from 2022/23 was due in part to collection rates returning to pre-pandemic levels and as can be seen, this healthy position continues into 2023/24.

- 7.4 The Greater Manchester 100% Business Rates Retention Pilot has continued into 2023/24. Any financial benefits arising from membership within the pilot scheme will continue to be monitored, any beneficial financial resource will be used if possible, to support the Council's budget.
- 7.5 As advised previously, 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.

## **8 Use of Reserves**

- 8.1 Members will recall that at the Council budget meeting of 1 March 2023, it was agreed that Earmarked Reserves of £12.786m would be used to support the 2023/24 revenue budget and a further £3.932m of Earmarked Reserves were proposed to be utilised to support the 2024/25 revenue budget. The Earmarked Reserves to be utilised in 2023/24 and 2024/25 were to be met by fully utilising the specific Balancing Budget reserve of £16.718m.
- 8.2 In addition, there is an offsetting transfer to reserves of £1.209m reflecting the requirement, under the Business Rates Retention Pilot scheme, to pay the Greater Manchester Combined Authority a share of Retained Business Rates income.
- 8.3 As previously mentioned at paragraph 3.7.6, the Council has received £2.837m this year from GMCA, being the share of a £27.000m GM wide refund of reserves from the GM Waste Disposal Service. This unbudgeted income has been transferred to Earmarked Reserves to support the financial resilience of the Council.
- 8.4 At the beginning of 2023/24, reserves balances totalled £87.099m comprising of Earmarked Reserves of £79.130m and Revenue Grant Reserves of £7.968m.
- 8.5 Table 15 below sets out the forecast use of reserves for the full financial year based on a best estimate of the likely commitments including a number of reserves that are being used to support the overall financial position. In addition to the net £11.577m required to balance the budget at the start of the year an additional £10.848m of Earmarked Reserves are expected to be called in to support Directorate budgets together with £3.680m of Revenue Grant Reserves; a total of £14.527m. After transfers to reserves of £0.054m and £2.837m, this nets down to a further £11.638m use of reserves. This will leave a total balance of reserves of £63.884m carrying forward into 2024/25 comprising £59.596m of Ear-marked reserves and £4.288m of Revenue Grant Reserves.

**Table 15 – Reserves Summary**

Use of Reserves Month 9	Earmarked Reserves £000	Revenue Grant Reserves £000	Total Reserves £000
<b>Opening Balance as at 1 April 2023</b>	<b>(79,130)</b>	<b>(7,968)</b>	<b>(87,099)</b>
Reserves applied to balance the Budget	12,786	-	12,786
Transfer to Earmarked Reserves - Business Rates Retention Pilot Gain	(1,209)	-	(1,209)
<b>In Year Balance</b>	<b>(67,553)</b>	<b>(7,968)</b>	<b>(75,522)</b>
<b>Directorate Transfers from Reserve</b>			
Community Health and Adult Social Care	2,924	-	2,924
Children's Services	999	2,243	3,242
Public Health	796	1,137	1,933
Communities	55	300	355
Place and Economic Growth	1,801	-	1,801
Corporate Services	-	-	-
Capital Treasury and Technical Accounting	4,273	-	4,273
<b>Total Directorate Transfers from Reserve</b>	<b>10,848</b>	<b>3,680</b>	<b>14,527</b>
<b>Directorate Transfers to Reserves</b>			
Community Health and Adult Social Care	-	-	-
Children's Services	-	-	-
Public Health	-	-	-
Communities	-	-	-
Place and Economic Growth	(54)	-	(54)
Corporate Services	-	-	-
Capital Treasury and Technical Accounting	-	-	-
<b>Total Directorate Transfers to Reserve</b>	<b>(54)</b>	<b>-</b>	<b>(54)</b>
<b>Directorate Use of Reserves</b>	<b>10,794</b>	<b>3,680</b>	<b>14,474</b>
Return of Waste Reserve (GMCA)	(2,837)	-	(2,837)
<b>Total Proposed In Year Use of Reserves</b>	<b>7,957</b>	<b>3,680</b>	<b>11,638</b>
<b>Closing Balance as at Month 9</b>	<b>(59,596)</b>	<b>(4,288)</b>	<b>(63,884)</b>

- 8.6 In line with the Council's reserves policy, the recommended use of reserves to fund spend during the year have been initially approved by the appropriate officers prior to consideration by Cabinet. However, as there is a need to minimise the use of reserves in order to support the financial resilience of the Council, only those reserves supporting essential business will be utilised this year.
- 8.7 The availability of reserves is a demonstration of the financial resilience of the Council and as such the reserves must be carefully managed. However, the use of reserves is also a means by which the Council can support the 2023/24 and future years budget setting processes and Medium-Term Financial Strategy. In addition to use in the current financial year, as part of the 2023/24 Budget setting process agreed by Council on 1 March 2023, Members approved a commitment of a further £3.932m of reserves for 2024/25. At the Budget Council meeting on 28 February 2024, Council approved the use of reserves totalling £10,753m in setting the 2024/25 budget. It must also be noted that the current forecast revenue overspend, for 2023/24 of £16.642m will be required to be financed from the use

of earmarked reserves as part of the year end process. The continued reduction in the level of available reserves, will, reduce the financial resilience of the Council.

## **9 Flexible Use of Capital Receipts**

- 9.1 Members will recall that at the Council meeting of 1 March 2023, it was approved that up to £2.600m of capital receipts would be used to underpin the revenue budget in line with the flexibilities agreed by Secretary of State for Housing, Communities and Local Government in March 2016. In April 2022, guidance on the flexible use of capital receipts was updated by the Department for Levelling Up, Housing and Communities which extended the flexibility that has been in place since 2016. This allows the freedom to continue up to 2024/25 to help Authorities plan for the long-term.
- 9.2 A number of schemes in support of the transformation programme which meet the qualifying expenditure requirements as detailed within the statutory guidance issued by the DLUHC have been identified and are itemised within the approved 2023/24 Capital Programme. The contribution to the Flexible Use of Capital Receipts is the first call on any receipts generated by the Council and processes are in place to monitor progress throughout the year. Annex 2 to this report which sets out the Capital Programme position confirms that receipts totalling £5.086m have been received to date, exceeding the £2.600m required to underpin the revenue budget.

## **10 Conclusion**

- 10.1 The lasting impact of the COVID-19 pandemic is evident from the pressures being experienced by Children's Social Care Services and to a lesser degree by Adult Social Care Services (from a purely Council financial perspective). In addition, the potential impact on pay awards and also interest rates continue to be reviewed. The forecasting of the likely impact of all these factors on the Council's budget has been based on both the actual expenditure and the income impact recorded but also relies on a series of assumptions which has been reviewed and updated as the financial year has progressed.
- 10.2 The current projected position, after adjustment for the use of reserves is an overspend of £16.642m. The financial pressure in Children's Social Care is especially concerning as there was £14.700m of additional funding included in the 2023/24 budget, £11.800m of which was intended to stabilise the budget with £2.900m to support a programme of change and transformation with the aim of delivering efficiency savings in future years.
- 10.3 It is of concern that the overall financial position has continually worsened as the year has progressed. Along with service demand pressures that can be seen in the Children's Service and Strategic Housing especially, the pressure caused by failure to deliver Budget Reductions remains challenging. Given the budget reductions already approved from previous years and the new 2024/25 budget reductions recently approved, it must be noted that if these Budget Reductions are not achieved then the Council could have a challenging 2024/25 which will ultimately impact the financial resilience of the Council.
- 10.4 The reserves position is important in the context of financial resilience. Although reduced from 2022/23 levels, the year started with relatively healthy levels of

earmarked reserves (£79.130m) and Revenue Grant Reserves (£7,968m). However, the budget for 2023/24 relied upon the use of reserves to produce a balanced position; a net £11.577m was used comprising £12.786m of reserves to balance the budget netted off by a £1.209m transfer to reserves. Therefore, on 1/4/23 earmarked reserves reduced from £79.130m to £67.553m (£12.786m of reserves being used to balance the budget netted off by a £1.209m transfer to reserves).

10.5 As advised in this report, net earmarked reserves of £7.957m and net Revenue Grant reserves of £3.680m are forecast to be called into support the 2023/24 budget, after which there is an anticipated combined reserves balance of £63.884m. With a potential additional call of £16.642m to offset the current forecast deficit and an already approved use of £3.932m of reserves to balance the 2024/25 budget and futures years, the actual availability in 2024/25 could reduce to £43.310m. The additional reserves of £10.753m was approved at the Budget Council on 28 February 2024 as part of the 2024/25 budget setting process will further reduce the level of useable reserves. At this potential level of utilisation, it is vitally important to minimise the future use of reserves in year to maintain financial resilience of the Council.

10.6 In view of the projected adverse variance, it is important to ensure that the approved measures 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.

Are fully adhered, to help mitigate and reduced the current forecast overspend during 2023/24. In effect this is a continuation of actions that were initiated last year (and previous years), however, the variance at month 9 continues to increase and is much more significant than at any point in 2022/23. It is therefore essential that this approach is rigorously applied and where possible, any transformation programme projects linked to savings are accelerated. The effectiveness of management action and corporate procedures will be closely monitored by Management Teams right up to the end of the financial year.

FINANCING OF THE 2023/24 BUDGET	Original Budget	Additions to Month 7	Additions Month 8	Additions Month 9	Revised Budget
	£000	£000	£000		£000
<b>Net Expenditure Budget</b>	(260,686)				(260,686)
<b>Financed by:</b>					
Business Rates Top-up Grant	(46,016)	(577)			(46,593)
Grant in Lieu of Business Rates	(25,987)				(25,987)
Social Care Support Grant	(21,454)				(21,454)
Improved Better Care Fund Grant	(11,188)				(11,188)
2022/23 Services Grant	(2,620)				(2,620)
Housing Benefit Administration Grant	(810)				(810)
New Homes Bonus Grant	(252)				(252)
Revenue and Benefits Service New Burdens Grant	(11)				(11)
Capital Grants		(3,707)	(2,492)	(2,000)	(8,199)
Family Hubs and Start for Life Programme Grant		(1,444)			(1,444)
Rough Sleeping Drug & Alcohol Treatment Grant		(708)			(708)
Supplementary Substance Misuse Treatment and Recovery Funding Grant		(497)			(497)
Individual Placement and Support Grant		(156)			(156)
Leaving Care Allowance Grant		(61)			(61)
Capacity and Capability Grant		(70)			(70)
Levelling Up Partnership (LUP) Local Authority Capacity Payment Grant		(45)			(45)
Extended Rights to Free Travel Grant		(45)			(45)
TBC					-
<b>Total Government Grant Funding</b>	(108,338)	(7,310)	(2,492)	(2,000)	(120,140)
Council Tax Income - General (Including parish precepts)	(94,449)				(94,449)
Council Tax Income - Adult Social Care Precept	(14,874)				(14,874)
Council Tax Surplus	(4,130)				(4,130)
Retained Business Rates	(53,683)				(53,683)
<b>Total Locally Generated Income</b>	(167,136)	-	-	-	(167,136)
<b>Total Grant and Income</b>	(275,474)	(7,310)	(2,492)	(2,000)	(287,274)
Use of General Earmarked Reserves	(12,786)				(12,786)
Transfer to Earmarked Reserves - Business Rates Retention Pilot Gain	1,209				1,209
<b>Total Use of Reserves</b>	(11,577)	-	-	-	(11,577)
<b>Total Financing</b>	(287,051)	(7,310)	(2,492)	(2,000)	(298,851)

<b>Appendix 2- Analysis of Grants</b>		
<b>Grant Name</b>	<b>Type</b>	<b>Forecast £000</b>
<b>Community Health and Adult Social Care</b>		
Better Care Fund	Other	(15,097)
Market Sustainability and Fair Cost of Care Fund	Govt.	(2,628)
Market Sustainability & Improvement Fund	Govt.	(1,707)
Adult Social Care Discharge Fund	Govt.	(1,568)
Urgent & Emergency Care Support Fund	Govt.	(527)
Changing Futures in GM	Govt.	(370)
Individual Placement and Support Grant	Govt.	(156)
Balance: Grants less than £0.150m	Govt. x3	(66)
<b>Sub Total</b>		<b>(22,118)</b>
<b>Children's Services</b>		
PFI Credits	Govt. x2	(8,988)
Skills Funding Agency Adult Education	Govt.	(3,085)
Holiday Activities and Food Grant	Govt.	(1,480)
Support to victims of Domestic Abuse within Safe Accommodation	Govt.	(592)
Unaccompanied Asylum-Seeking Children (UASC)	Govt.	(536)
Youth Justice Board	Govt.	(496)
Former UASC - Care Leavers	Govt.	(287)
Staying Put Grant	Govt.	(201)
DJUHD - Domestic Abuse	Govt.	(170)
Family Hubs and Start for Life Programme Grant	Govt.	(1,444)
Balance: Grants less than £0.150m	Govt.(x8) Other (x1)	(630)
<b>Sub Total</b>		<b>(17,909)</b>
<b>Public Health</b>		
Public Health Grant	Govt.	(577)
Supplementary Substance Misuse Treatment and Recovery Funding Grant	Govt.	(497)
Grants less than £0.150m	Govt.(x1) Other (x1)	(168)
		<b>(1,242)</b>
<b>Communities</b>		
PFI Credits	Govt.	(1,803)
Community Safety	Govt.	(715)
Home Office Full Dispersal Grant	Govt.	(683)
Balance: Grants less than £0.150m	Govt.(x2)	(52)
<b>Sub Total</b>		<b>(3,253)</b>
<b>PEG</b>		
PFI Credits	Govt.	(2,471)
Homelessness Prevention Grant	Govt.	(746)
A Bed Every Night (ABEN)	Govt.	(293)
CAS-3 Grant	Govt.	(247)
Rough Sleeping Initiative	Govt.	(150)
Rough Sleeping Drug & Alcohol Treatment Grant	Govt.	(708)
Balance: Grants less than £0.150m	Govt.(x8)	(557)
<b>Sub Total</b>		<b>(5,173)</b>
<b>Corporate Services</b>		
Housing Support Fund	Govt.	(4,839)
Council Tax Rebate	Govt.	(599)
Erdf	Other	(303)
Balance: Grants less than £0.150m	Govt.(x5) Other (x1)	(263)
<b>Sub Total</b>		<b>(6,003)</b>
<b>Capital and Treasury</b>		
Rent Allowances	Govt.	(35,455)
Housing Benefit Subsidy	Govt.	(5,542)
<b>Sub Total</b>		<b>(40,997)</b>
<b>Total Ring-fenced Grants Included within the Net Revenue Budget</b>		<b>(96,694)</b>
<b>Housing Revenue Account</b>		
PFI Credits	Govt.(x2)	(18,799)
<b>Total</b>		<b>(115,493)</b>



**CAPITAL INVESTMENT PROGRAMME REPORT 2023/24  
Month 9 – December 2023**

**1 Background**

- 1.1 The original capital programme for 2023/24 reflected the priorities outlined in the capital strategy as approved at Cabinet on 13 February 2023 and confirmed at the Council meeting on 1 March 2023.
- 1.2 The position as at 31 December 2023 (updated for more recent information where possible) is highlighted in this report. It is anticipated that this report will, as far as possible, reflect the outturn position.
- 1.3 Although this report is presented close to the year-end, the programme will continue to be monitored and revised to take account of any new developments and changes in the profile of planned expenditure.

**2 Current Position**

- 2.1 The approved capital programme summary position for the five financial years 2023/24 to 2027/28, approved by Council on 1 March 2023 is summarised in Table 1 and shows capital programme expenditure of £110.305m in 2023/24.

**Table 1 : Original Budget - Capital Programme 2023/24 to 2027/28**

<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>TOTAL £000</b>
<b>110,305</b>	<b>108,378</b>	<b>46,661</b>	<b>55,562</b>	<b>4,554</b>	<b>325,460</b>

- 2.2 Table 2 shows the revised capital programme for 2023/24 as at 31 December 2023. It therefore shows an overall expenditure level of £79.466m, following a number of changes explained in the following paragraphs.
- 2.3 The actual expenditure position is £52.765m (66.40% of forecast outturn). This spending profile is higher than in previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.

**Table 2 – 2023/24 Capital Programme**

Directorate	Revised Budget (M08) £000	Approved Virements (M09) £000	Proposed Virement/ Rephase £000	Revised Budget (M09) £000	Forecast £000	Variance £000
Community Health and Adult Social Care	5,302	-	-	5,302	5,302	-
Children's Services	4,281	-	-	4,281	4,281	-
Communities	186	-	-	186	186	-
Place and Economic Growth	61,607	-	-	61,607	61,607	-
Housing Revenue Account (HRA)	764	-	-	764	764	-
Corporate/ Information Technology (IT)	3,893	-	833	4,726	4,726	-
Capital, Treasury & Technical Accounting	2,600	-	-	2,600	2,600	-
Funding for Emerging Priorities	-	-	-	-	-	-
<b>Overall Total</b>	<b>78,633</b>	<b>-</b>	<b>833</b>	<b>79,466</b>	<b>79,466</b>	<b>-</b>

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

2.4 The were no approved virement in Month 9 (December 2023).

### Re-profiling of the Capital Programme

2.5 The Council meeting of 1 March 2023 approved the 2023/24 to 2027/28 Capital Strategy and Programme, since which time the capital programme has been extended for a further financial year to 2028/29. Taking into account the above amendments and the recently approved 2024/25 to 2028/29 Capital Strategy and Programme, the updated position is shown in Table 3 together with the projected financing profile.

2.6 The overall increase in the 2023/24 – 2028/29 capital programme is a net overall increase of £0.531m, detailed below:

	2023/24 £000	2024/25 £000	Total £000
Third Party Contribution to IT Scheme	56	-	56
Assumed 2024/25 School Condition Allocation Grant	-	200	200
Assumed 2024/25 Devolved Formula Capital Grant	-	275	275
<b>Total</b>	<b>56</b>	<b>475</b>	<b>531</b>

**Table 3 – 2023/24 - 2028/29 Capital Programme**

Directorate Budget	Revised 2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
Community Health and Adult Social Care	5,301	4,443	1,000				<b>10,744</b>
Children's Services	4,282	4,724	5,058	3,188	2,000		<b>19,252</b>
Communities	186	100	174				<b>460</b>
Place and Economic Growth	61,607	83,226	68,622	26,601	17,859	1,000	<b>258,915</b>
Housing Revenue Account	764	628	95				<b>1,487</b>
Corporate/ Information Technology	4,726	2,919	2,809	2,039	3,661	1,000	<b>17,154</b>
Capital, Treasury & Technical Accounting	2,600	2,600	-	126	10,120	-	<b>15,446</b>
Funding for Emerging Priorities	-	1,043	3,318	2,884	2,000	-	<b>9,245</b>
<b>Overall Total</b>	<b>79,466</b>	<b>99,683</b>	<b>81,076</b>	<b>34,838</b>	<b>35,640</b>	<b>2,000</b>	<b>332,703</b>

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

Funding	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
Grants and Other Contributions	(29,069)	(43,835)	(28,633)	(6,494)	(4,054)	-	<b>(112,085)</b>
Prudential Borrowing	(41,477)	(49,637)	(51,646)	(27,852)	(31,494)	(2,000)	<b>(204,106)</b>
Revenue Contribution	(1,079)	(630)	(95)	-			<b>(1,804)</b>
Capital Receipts	(7,841)	(5,581)	(702)	(492)	(92)		<b>(14,708)</b>
<b>Overall Total</b>	<b>(79,466)</b>	<b>(99,683)</b>	<b>(81,076)</b>	<b>(34,838)</b>	<b>(35,640)</b>	<b>(2,000)</b>	<b>(332,703)</b>

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

- 2.7 The revised Funding for Emerging Priorities allocation for 2023/24 to 2028/29, shows the resources available to support new projects from Council resources over the life of the capital programme.

### Capital Receipts

- 2.8 The revised capital programme requires the availability of £7.841m of capital receipts in 2023/24 for financing purposes. The total net usable capital receipts currently received in year is £5.593m. This ensures that there is no shortfall in the support for the revenue budget as the first £2.600m of capital receipts have been earmarked to be used to provide funding under the flexible use of capital receipts initiative.

- 2.9 The current capital receipts position is as follows:

**Table 4 – Capital Receipts 2023/24**

	£000	£000
Capital Receipts Financing Requirement		7,841
Usable Capital Receipt b/fwd.	-	
Actual received to date	(5,593)	
<b>Further Required in 2023/24</b>		<b>2,248</b>

- 2.10 Given the significant amounts of receipts needed to finance the capital programme in this and future years it is imperative that the capital receipts/disposal schedule is adhered to. This is monitored at the monthly Capital Receipts meeting and will be subject to on-going review for the remainder of the year and beyond. It is of course recognised that the lasting effects of the pandemic has had an impact of business/economic activities making capital disposals more challenging.
- 2.11 The Capital Strategy and Capital Programme 2023/24 to 2027/28 now updated to take account of the Capital Strategy and Capital Programme 2024/25 to 2028/29 includes the level of receipts that is anticipated in each of the respective years and therefore an estimate as to the resultant level of over or under programming in order to present a balanced programme. The revised and updated position is illustrated in the table below:

**Table 5 – Capital Receipts 2023/24 - 2028/29**

<b>Capital Receipts</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>
Capital Receipts Carried Forward	-	(1,355)	716	(5,122)	(6,207)	(8,365)
Estimated Capital Receipts	(3,603)	(3,510)	(6,540)	(1,577)	(2,250)	-
Received in year	(5,593)					
<b>Total Receipts</b>	<b>(9,196)</b>	<b>(4,865)</b>	<b>(5,824)</b>	<b>(6,699)</b>	<b>(8,457)</b>	<b>(8,365)</b>
Capital Receipts Financing Requirement	7,841	5,581	702	492	92	-
<b>Over/(Under) programming</b>	<b>(1,355)</b>	<b>716</b>	<b>(5,122)</b>	<b>(6,207)</b>	<b>(8,365)</b>	<b>(8,365)</b>

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

- 2.12 There is a projected surplus in the capital receipts required to finance the capital programme in the current year 2023/24, however this is offset with a forecast shortfall for 2024/25. The remainder of the Capital Programme is currently projecting a surplus position, but this will depend on the movement of expenditure over the life of the programme. Officers will therefore look to accelerate the disposal of some assets to minimise the potential shortfall during 2024/25. This position will be kept under review given the opportunity for the projections to change up to 2028/29 and a prudent approach has been taken with regard to the use of capital receipts in the latter years of the capital programme.

### 3 Conclusion

- 3.1 The capital programme has seen considerable reprofiling in year. Whilst the current estimated forecast outturn position is £79.466m, it is possible that as the year draws to an end, further re-profiling may still be required. This will be addressed as part of the year end process.

## 4 **Appendices**

- 4.1 Appendix A - SUMMARY – Month 9 - Community Health and Adult Social Care
- Appendix B - SUMMARY – Month 9 - Children’s Service
- Appendix C - SUMMARY – Month 9 - Communities
- Appendix D - SUMMARY – Month 9 - Place and Economic Growth
- Appendix E - SUMMARY – Month 9 - Housing Revenue Account (HRA)
- Appendix F - SUMMARY – Month 9 - Corporate/Information Technology
- Appendix G - SUMMARY – Month 9 - Capital Treasury and Technical Accounting
- Appendix H - SUMMARY – Month 9 - Funding for Emerging Priorities
- Appendix I - SUMMARY – Month 9 - Proposed Changes

**SUMMARY – Month 9 (December 2023) - Community Health and Adult Social Care****APPENDIX A**

<b>Service area</b>	<b>Revised Budget (M08) £000</b>	<b>Approved Changes /Virements (to M09) £000</b>	<b>Proposed Virement (M09) £000</b>	<b>Revised Budget (M09) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Adult Services	5,302	-	-	5,302	5,302	-
<b>Community Health and Adult Social Care Total</b>	<b>5,302</b>	<b>-</b>	<b>-</b>	<b>5,302</b>	<b>5,302</b>	<b>-</b>

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

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Month 9 (December 2023) – Children’s Service****APPENDIX B**

<b>Service area</b>	<b>Revised Budget (M08) £000</b>	<b>Approved Changes /Virements (to M09) £000</b>	<b>Proposed Virement (M09) £000</b>	<b>Revised Budget (M09) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Children, Young People and Families (CYPF)	361			361	361	-
Schools - General Provision	12			12	12	-
Schools – Primary	1,578			1,578	1,578	-
Schools – Secondary	2,165			2,165	2,165	-
Schools – Special	15			15	15	-
Schools New Build	150			150	150	-
<b>Children’s Service Total</b>	<b>4,281</b>	<b>-</b>	<b>-</b>	<b>4,281</b>	<b>4,281</b>	<b>-</b>

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

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Month 9 (December 2023) – Communities****APPENDIX C**

<b>Service area</b>	<b>Revised Budget (M08) £000</b>	<b>Approved Changes /Virements (to M09) £000</b>	<b>Proposed Virement (M09) £000</b>	<b>Revised Budget (M09) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Local Investment Fund	186	-	-	186	186	-
<b>Communities Total</b>	<b>186</b>	<b>-</b>	<b>-</b>	<b>186</b>	<b>186</b>	<b>-</b>

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

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Month 9 (December 2023) – Place and Economic Growth**

**APPENDIX D**

<b>Service area</b>	<b>Revised Budget (M08) £000</b>	<b>Approved Changes /Virements (to M09) £000</b>	<b>Proposed Virement (M09) £000</b>	<b>Revised Budget (M09) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Asset Management - Asset Management	4,284	-	-	4,284	4,284	-
Asset Management - Education Premises	1,156	-	-	1,156	1,156	-
Boroughwide Developments	14,515	-	-	14,515	14,515	-
Boroughwide Projects	10	-	-	10	10	-
Cemeteries and Crematorium	46	-	-	46	46	-
Countryside	100	-	-	100	100	-
Parks	576	-	-	576	576	-
Playing Fields & Facilities	1,002	-	-	1,002	1,002	-
Parks & Playing Fields	13	-	-	13	13	-
Private Housing – HMRF	124	-	-	124	124	-
Private Housing - Non-HMRF	435	-	-	435	435	-
Strategic Acquisitions	522	-	-	522	522	-
Town Centre Developments	23,263	-	-	23,263	23,263	-
Accident Reduction	1,100	-	-	1,100	1,100	-
Bridges & Structures	5,198	-	-	5,199	5,198	-
Fleet Management	749	-	-	749	749	-
Highway Major Works/Drainage schemes	6,259	-	-	6,258	6,259	-
Minor Works	1,204	-	-	1,204	1,204	-
Miscellaneous	1,051	-	-	1,051	1,051	-
<b>Place and Economic Growth Total</b>	<b>61,607</b>	<b>-</b>	<b>-</b>	<b>61,607</b>	<b>61,607</b>	<b>-</b>

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

**Major Variances Commentary**

No additional variances to report



**SUMMARY – Month 9 (December 2023) - Housing Revenue Account (HRA)****APPENDIX E**

<b>Service area</b>	<b>Revised Budget (M08) £000</b>	<b>Approved Changes /Virements (to M09) £000</b>	<b>Proposed Virement (M09) £000</b>	<b>Revised Budget (M09) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Housing Revenue Account	764	-	-	764	764	-
<b>HRA Total</b>	<b>764</b>	<b>-</b>	<b>-</b>	<b>764</b>	<b>764</b>	<b>-</b>

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

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Month 9 (December 2023) – Corporate/Information Technology (IT)****APPENDIX F**

<b>Service area</b>	<b>Revised Budget (M08) £000</b>	<b>Approved Changes /Virements (to M09) £000</b>	<b>Proposed Virement (M09) £000</b>	<b>Revised Budget (M09) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Information Technology	3,893	-	833	4,726	4,726	-
<b>Information Technology Total</b>	<b>3,893</b>	<b>-</b>	<b>833</b>	<b>4,726</b>	<b>4,726</b>	<b>-</b>

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

**Major Variances Commentary**

No additional variances to report

<b>EXPENDITURE BUDGETS TO BE REPROFILED AS AT 31 DECEMBER 2023</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Comments</b>
<b>Directorate / Scheme</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Corporate / Information Technology</b>					
Technology Roadmap Digital and Technology Foundations	715	-	-	-	Budget Realignment / Rephase
Application Portfolio Management Line of Business Systems	(2)	6	120	-	New Funding / Budget Realignment / Rephase
Digital Leadership Business Support HR/OD Foundations	(50)	(100)	(150)	50	Budget Realignment / Rephase
Digital Workforce Workforce Collaboration and Productivity	120	-	(70)	-	Budget Realignment / Rephase
Digital Services Customer Experience	49	(200)	200	-	Budget Realignment / Rephase
Digital Communities Business Insight Performance, Strategy & Policy Foundations	1	-	-	-	Budget Realignment
IT General Provision	-	-	(851)	(111)	Budget Realignment / Rephase
CCTV System Upgrade - Sir Robert Peacock House	-	328	-	-	Budget Realignment
<b>Corporate / Information Technology TOTAL</b>	<b>833</b>	<b>34</b>	<b>(751)</b>	<b>(61)</b>	
<b>Place and Economic Growth</b>					
Vehicle Activated signs - Instillation and enhancement programme	-	50	-	-	Budget Realignment
A669 Oldham Road, Grasscroft Pedestrian Safety Improvements	-	(50)	-	-	Budget Realignment
<b>Place and Economic Growth TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL</b>	<b>833</b>	<b>34</b>	<b>(751)</b>	<b>(61)</b>	

**SUMMARY – Month 9 (December 2023) – Capital Treasury and Technical Accounting**

APPENDIX G

Service area	Revised Budget (M08) £000	Approved Changes /Virements (to M09) £000	Proposed Virement (M09) £000	Revised Budget (M09) £000	Forecast £000	Year End Variance £000
Cross Cutting /Corporate	2,600	-	-	2,600	2,600	-
<b>Capital Treasury and Technical Accounting Total</b>	<b>2,600</b>	<b>-</b>	<b>-</b>	<b>2,600</b>	<b>2,600</b>	<b>-</b>

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

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Month 9 (December 2023) - Funding for Emerging Priorities**

APPENDIX H

Service area	Revised Budget (M08) £000	Approved Changes /Virements (to M09) £000	Proposed Virement (M09) £000	Revised Budget (M09) £000	Forecast £000	Year End Variance £000
Funding for Emerging Priorities	-	-	-	-	-	-
<b>Funding for Emerging Priorities Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Major Variances Commentary**

No additional variances to report

## SUMMARY – Month 9 (December 2023) Proposed Changes



### APPENDIX I

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

<b>FINANCING BUDGETS TO BE REPROFILED AS AT 31 DECEMBER 2023</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
<b>Fund Source</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Grants and Contributions	-	(56)	-	-
Prudential Borrowing	(833)	22	751	61
Revenue Contributions	-	-	-	-
Capital Receipts	-	-	-	-
<b>TOTAL</b>	<b>(833)</b>	<b>(34)</b>	<b>751</b>	<b>61</b>

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