

Report to Cabinet

Revenue Monitor and Capital Investment Programme 2024/25 Quarter 1 – June 2024

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader of the Council and Cabinet Member for Value for Money and Sustainability

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Reason for Decision

The report provides Cabinet with an update as at 30 June 2024 (Quarter 1) of the Council's 2024/25 forecast revenue budget position (at Annex 1) and the financial position of the capital programme together with the revised capital programme 2024/25 to 2028/29 (at Annex 2), and the Outturn position for 2023/24 (Annex 3).

Executive Summary

Revenue Position

The forecast overspend position based on the Quarter 1 profiled budget is £6.508m which if not addressed urgently has a year-end forecast of £26.033m.

As this financial monitoring report reflects the financial position at Quarter 1, it can be regarded as an early warning of the potential year-end position if no further action is taken to reduce net expenditure. The management action initiated in 2023/24 across all service areas has continued into 2024/25 and an enhanced programme of mitigations to reduce the in-year pressure has been commenced. Details are included in Annex 1 of this report. These mitigations are implemented with immediate effect, and it is anticipated that by the year end, the current outturn deficit position should reduce.

Information on the Quarter 1 position of the Dedicated Schools Grant (DSG), and Revenue Funding and Collection Fund is also outlined in the report.

An update on the Quarter 1 2024/25 position is detailed within Annex 1.

Capital Position

The report outlines the most up to date capital spending position for 2024/25 to 2028/29 for approved schemes. The revised capital programme budget for 2024/25 is £101.680m at the close of Quarter 1, a net increase of £1.997m from the original budget approved at Council on 28 February 2024 of £99.683m. Actual expenditure to 30 June 2024 was £11.895m (11.70% of the forecast outturn).

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

Revenue Outturn 2023/24

This report provides confirmation of the outturn position for 2023/24.

The information contained within Annex 3 is reported in the Narrative section of the Council's draft Statement of Accounts 2023/24 which were published on 7 June 2024 and have been handed over to the Council's external Auditors Forvis Mazars, LLP.

Further detail can be found within Annex 3.

Recommendations

That Cabinet approves the:

1. Forecast profiled budget, being an adverse position of £6.508m and the forecast potential adverse position by year end of £26.033m, with mitigations in place to reduce expenditure.
2. The additional working capital provided for Oldham Total Care as detailed in Annex 1.
3. Forecast positions for the Dedicated Schools Grant and Revenue Funding and Collection Fund.
4. Revised capital programme for 2024/25 including the proposed virements and the forecast for the financial years to 2028/29 as at Quarter 1 as outlined in Annex 2.
5. The Outturn position for 2023/24 as highlighted in Annex 3.

Revenue Monitor and Capital Investment Programme 2024/25 Quarter 1 – June 2024**1 Background**

- 1.1 The Authority's 2024/25 revenue budget was approved by Council on 28 February 2024 at a sum of £299.818m to be met by government grants, Council Tax, Business Rates, and the use of General Earmarked Reserves. This report sets out the updated revenue financial position at Quarter 1.
- 1.2 As the year progresses the monthly and outturn projections will reflect the evolving position of the impact of management actions put in place to mitigate in-year pressures, new developments and changes in the profile of planned expenditure and any additional grants that are announced from the Government.

2 Current Position

- 2.1 As with previous early period monitoring reports, a cautious approach is generally taken when preparing forecasts. In particular, assumptions are made that vacant positions will be filled successfully, which as the year progresses does not always transpire. Likewise, the contingency budgets, held within service areas and council wide are released with caution in the early stages of the year.
- 2.2 This Quarter 1 revenue monitoring report can be used to give a general direction of travel and highlight any significant areas of concern which may not just impact on the current year, but also when preparing future budgets. A projected overspend based on the Quarter 1 profiled budget is £6.508m which if not addressed urgently has a year-end forecast of £26.033m. This demonstrates that close financial management and Management action is needed during 2024/25 considering the already significant budget gap in the Medium-Term Financial Strategy for 2025/26 and the limited Earmarked Reserves.
- 2.3 The main areas of concern identified in the Quarter 1 monitoring report (based on the Quarter 1 profiled budget) are:
- Community Health and Adult Social Care an adverse position of £1.404m,
 - Children's Services estimated overspend of £3.547m; and
 - Strategic Housing, in particular Temporary Accommodation a forecast overspend of £1.265m.
- 2.4 The projected net adverse variance is of concern and as a result, management mitigations have been actioned. The mitigations implemented are detailed in Annex 1 and are essential to support the financial resilience of the Council.
- 2.5 Every effort will be made to reduce the forecast variance by the year end to mitigate any potential impact on the 2025/26 budget, together with the projected budget gap for the following year.
- 2.6 The original capital programme for 2024/25 totalled £99.683m. The revised capital programme as at Quarter 1 taking into account any approved carry forwards, approved new funding, new schemes and variations and proposed variations/ re-

phasing gives projected revised expenditure of £101.860m. Actual expenditure at Quarter 1 was £11.895m (11.70% of the forecast outturn). Further details of expenditure and schemes within the capital programme can be found in Annex 2.

- 2.7 The Annual Review of the capital programme will be taking place during the summer months. This is likely to lead to further reprofiling of planned expenditure and the realignment of capital resources between schemes. Its findings and recommendations will be reported later in the financial year.

3 Options/Alternatives

- 3.1 The options that Cabinet 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 Committee 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 An equality impact assessment has been included at Annex 3.

18 Key Decision

18.1 Yes

19 Key Decision Reference

19.1 FCR-14-24

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, Appendix 1

Officer Name: Lee Walsh

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

Officer Name: James Postle
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21 Appendices

Annex 1 Revenue Budget Monitoring Report 2024/25 Quarter 1 - June 2024

Appendix 1 Directorate Summary Financial Position

Annex 2 Capital Investment Programme Report 2024/25 Quarter 1 - June 2024

Appendix A SUMMARY – Quarter 1 - Community Health & Adult Social Care

Appendix B SUMMARY – Quarter 1 - Children’s Services

Appendix C SUMMARY – Quarter 1 - Communities

Appendix D SUMMARY – Quarter 1 - Place and Economic Growth

Appendix E SUMMARY – Quarter 1 - Housing Revenue Account (HRA)

Appendix F SUMMARY – Quarter 1 – Corporate/ Information Technology

Appendix G SUMMARY – Quarter 1 - Capital, Treasury & Technical Accounting

Appendix H SUMMARY – Quarter 1 - Funds for Emerging Priorities

Annex 3 Revenue Outturn Position 2023/24

Annex 4 Equality Impact Assessment- Financial Monitoring 24-25 (Q01)

REVENUE BUDGET MONITORING REPORT 2024/25**Quarter 1 - June 2024****1 Background**

- 1.1 The Authority's 2024/25 revenue budget was approved by Council on 28 February 2024 at a sum of £299.818m to be met by government grants, Council Tax, Business Rates, and the use of General Earmarked Reserves. This report sets out the updated revenue financial position at Quarter 1.
- 1.2 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 reported based on a comparison of profiled budgets as at the end of Quarter 1 which in turn forecasts a potential year end position. The services forecasts include all known commitments, issues, and planned management actions.

2 Outlook and Budget Context

- 2.1 The budget for 2024/25 was set against a backdrop of challenging economic and fiscal conditions, with inflationary pressures, high interest rates and low levels of economic growth impacting on local and national finances. The lingering impact of the Covid 19 pandemic and the ensuing cost of living crisis has meant that locally demand for services and the cost of providing those services has been increasing over the last couple of years which has placed further strain on the Council's budgetary position. In addressing these pressures, the Council sought to deliver savings of £19m and apply £10.8m of usable reserves to help balance the need to provide services and to set a balanced budget. In setting the budget it was acknowledged that significant financial pressures remained on the Council over the medium term due to the longer-term impacts of high inflation and demand.
- 2.2 Whilst the headline rate of inflation has reduced and market sentiment is such that the expectation is that the Monetary Policy Committee (MPC) will look to stimulate the UK economy by lowering rates in upcoming quarters, experts anticipate a gradual reduction, with rates potentially reaching around 3% by late 2025. Notwithstanding a reduction in interest rates, the impact of high inflation on the cost of utilities, fuel and food is such that these costs remain significantly higher than they were a couple of years ago which presents an ongoing challenge in boroughs like Oldham where high levels of deprivation are widespread.
- 2.3 The results of the UK general election will play a pivotal role in determining the economic trajectory in the coming financial year. Labour's victory on the 4 July 2024, will influence a range of factors, from fiscal policies and public spending to trade relations and regulatory frameworks. Whilst a change in Government may be viewed as positive news it further adds yet more uncertainty to the short-term fiscal strategy. Given the size of the
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public debt, it is unlikely that a new Government will have room for manoeuvre and a roll over financial settlement must be assumed for at least one more year. The scale of the challenge faced means that the Council must continue to deliver its existing savings programme, identify significant permanent savings, lobby the Government to address the unfairness of the funding formula and maintain prudent financial management.

- 2.4 Overall, the economic environment, whilst forecast to be more stable than recent years, remains uncertain and challenging and this will need to be monitored carefully as the year progresses. In this context, the Council must remain agile and ready to respond to emerging trends and unforeseen events. Regular reassessment of economic indicators and global developments will be key to navigating this calmer, yet still challenging, economic landscape.

3 Current Position

- 3.1 As with previous early period monitoring reports, a cautious approach is generally taken when preparing forecasts. In particular, assumptions are made that vacant positions will be filled successfully, which as the year progresses does not always transpire. Likewise, the contingency budgets, held within service areas and council wide are released with caution in the early stages of the year.
- 3.2 The current net revenue budget of £300.768m represents an increase of £0.950m against the originally approved budget of £299.818m. This is due an increase in Government grants received since the Original Budget was approved.
- 3.3 This Quarter 1 revenue monitoring report can be used to give a general direction of travel and highlight any significant areas of concern which may not just impact on the current year, but also when preparing future budgets. A projected overspend based on the Quarter 1 profiled budget is £6.508m which if not addressed urgently has a year-end forecast of £26.033m. This demonstrates that close financial management and Management action is needed during 2024/25 considering the already significant budget gap in the Medium-Term Financial Strategy for 2025/26 and the limited Earmarked Reserves. The main areas of concern identified in the Quarter 1 monitoring report (based on the Quarter 1 profiled budget) are the overspends in respect of the cost of Adult Social care placements, costs of Looked After Children placements and temporary accommodation costs.
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Table 1 –Summary of Quarter 1 Profiled Budget Position

	Profiled Budget at Qtr. 1	Profiled Forecast at Qtr. 1	Profiled Variance Qtr. 1	Forecast Outturn based on Qtr. 1 Variance
	£000	£000	£000	£000
Adult Social Care	19,025	20,429	1,404	5,616
Children's Services	17,982	21,529	3,547	14,187
Public Health	5,731	5,684	(47)	(187)
Place and Economic Growth	16,811	19,023	2,212	8,850
Corporate Services	8,388	7,780	(608)	(2,433)
NET DIRECTORATE EXPENDITURE	67,937	74,445	6,508	26,033
Capital, Treasury and Technical Accounting	7,255	7,255	-	-
NET COUNCIL EXPENDITURE	75,192	81,700	6,508	26,033

Notes: * Forecast Outturn figures assume reserves movements shown in Table 3.

- 3.4 The forecast outturn based on the Quarter 1 position is an adverse variance of £26.033m. based on the profiled budget forecast as at Quarter 1.

Significant aspects of revenue variances by directorate

- 3.5 There are significant variances contained within the projected net overspend position.
- 3.6 There are currently three areas which are forecasting significant pressures at Quarter 1;
- Children's Services is forecasting a pressure of £3.547m at Quarter 1 and is forecast to be £14.187m by year end which is, the most significant contributing factor to the Council's adverse variance;
 - Strategic Housing and in particular Temporary Accommodation is forecasting a pressure of £1.265m for Quarter 1 and an outturn forecast of £5.059m; and
 - Adult Social Care is forecasting a pressure of £1.404m to June 2024 with an estimated adverse year end position of £5.616m.

Adult Social Care adverse variance of Quarter 1 £1.404m, estimated Year End adverse position of £5.616m

- 3.7 The Community Health and Social Care service continues to report significant pressures forecast to be £4.785m at year end. This is mainly people with physical disabilities accessing care at home and direct payments.
- 3.8 The Mental Health service is reporting an adverse position of £0.906m. Cost pressures of £1.471m for care packages as follows; £0.501m care homes, £0.416m care at home including direct payments, £0.476m supported living and £0.078m rehabilitation, short stay and respite care are being somewhat offset by favourable variances to budget of £0.184m vacant posts, £0.182m client contributions and ICB contributions to joint funded packages and £0.199m direct payment audit recovery.
- 3.9 The Learning Disability service is reporting an overspend position of £0.273m. The cost of care packages particularly within care at home £0.634m, supported living £0.562m and short stay care £0.065m are mitigated by favourable variances to care home expenditure £0.552m, direct payments £0.198m, respite and shared lives £0.116m and income contributions £0.121m largely due to direct payment recovery.
- 3.10 These overspends are offset by vacant posts across the Directorate of £0.314m.

Oldham Total Care Limited (OTC)

- 3.11 The financial results for OTC for 2023/24 were in line with the forecast presented to Cabinet at the time of acquisition in June 2023 and progress has been made in stabilising the Home and developing a sustainable business model. To this end, the OTC Board approved an increase in nursing fees for new residents to a flat rate of £1,500 per week. Although this represented an increase of over 50%, the Board noted that this was in line with rates for nursing provision within the sector and was required to cover OTC's costs. The increase took effect on 1st July and is the rate that public bodies, including the Council, will pay for any new placements. Residential Care rates have been set in line with the rates approved by Cabinet on 22 January 2024.
- 3.12 Given that the new rate will only apply to new residents, income will increase gradually over time, and it is anticipated that the business will move to a break-even position by the first quarter of 2025. In the meantime, it is proposed that the Council will provide financial support by way of a £1.8m loan to provide further working capital, cover projected losses for the remainder of the calendar year and provide a contingency for unexpected, urgent expenditure. This loan will be repaid from 2025/26 onwards.

Children's Services adverse variance of Quarter 1 £3.547m, estimated Year End adverse position of £14.187m

- 3.13 Children's Services have seen the main pressures that have been evident of the last few years continue into 2024/25. The number of Children Looked After (CLA) has increased during Quarter 1, from 595 at the end of 2023/24 to 614 by the end of June 2024. This has contributed to the ongoing significant pressures on the CLA placement
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costs. There has been a 21% increase in residential placements since April 2023. There are currently 69 children in a residential placement at an average weekly cost of £5,862. The issues 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 to help maintain a fully established workforce. Education Skills and Early years have again continued to see demand rise in the Special Education Needs and Disabilities (SEND) area.

- 3.14 The pressures relating to Children Looked After, children in residential placements and Children's Social Care, has had an adverse impact on the forecast of £13.145m and which is the significant contributor to the directorate's adverse position. Included within this anticipated forecast, Children in Care (Placements) has a forecast adverse variance of £12.293m, mainly relating to placements for Children Looked After within high-cost external residential packages with a further pressure against external semi-independent placements. Fieldwork and Family Support is forecasting an adverse position by year end of £1.075m on agency costs due to the continued reliance on this resource to help maintain a fully established workforce.
- 3.15 Education Skills and Early Years is estimated to be overspent of £1.022m on Home to School Transport as a result of continued increase in Education Health Care Plans (EHCP's) issued and the ongoing increase in SEND demand.

Public Health favourable variance of £0.047m as at Quarter 1, estimated favourable variance at year end of £0.187m

- 3.16 Public Health is showing a slight favourable variance of £0.047m as at Quarter 1. The current forecast is indicating that that by the end of the financial year Public Health will be under budget by £0.187m as a result of underspends on the 0-19 contract. The current proposal is that the underspend will be moved to an Earmarked Reserve at the financial year end as a contingency to be utilised once the final new working arrangements are formalised.

Place and Economic Growth adverse variance of Quarter 1 £2.212m, estimated Year End position at an adverse variance of £8.850m

- 3.17 The significant proportion on the forecast overspend is in relation to Strategic Housing, associated with Temporary Accommodation. Strategic Housing accounts for 57% of the forecast overspent position for the Directorate with Quarter 1 overspent by £1.265m and year end forecast of £5.059m.

Communities

- 3.18 Within the Communities service area, the main reason for the adverse position of £4.609m is Strategic Housing and in particular Temporary Accommodation. The financial year 2024/25 has continued to see an increase in the demand for Temporary Accommodation. The number of individuals and families in Temporary Accommodation has continued to follow the trajectory seen in recent years. The numbers in temporary accommodation at the end of the 2023/24 financial year was 614 and by the end on
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Quarter 1 2024 this has increased to 652. When looking at the demand in the service, as at 1 April 2023 the number was 393, this significantly increased to 614 by the 31 March 2024. The current forecast is that the overspend in Strategic Housing will be £5.059m by the end of the financial year. However, mitigations are continuing to be developed and implemented to try to reduce the projected adverse position throughout the financial year.

- 3.19 As part of the Housing Recovery programme the Council is reviewing its income maximisation opportunities. As part of those opportunities, the Council will implement a policy whereby residents will be asked to contribute towards the cost of their temporary accommodation following an affordability assessment. More cost-effective delivery models of temporary accommodation are also being looked at which will also better meet our residents needs.

Economy

- 3.20 Within Economy the Estates service area is the main reason for the adverse position. Current projections are that estates will be forecast to be overspent by £2.450m by year end. The main reasons for the adverse position are:

- The impact of Creating a Better Place 2024/25 Budget Option £2.083m plus known carried forward of £0.600m unachieved budget option from 23/24.
- R&M and Maintenance contracts are still an ongoing pressure with costs increasing resulting in a forecast pressure of £0.507m in 2024/25.
- Delays in the disposals of assets have created an increased Council liability for Business Rates which is forecast to be £0.471m over budget.
- The position highlighted above is offset by significant salary savings across Corporate Property, Estates and Facilities Management totalling approximately £0.918m.

Environment

- 3.21 The Environment service is forecast to be in an adverse position of £1.804m by year end. The main reasons for the adverse variance are:

- Environment Management has a forecast overspend of £0.413m as a result of additional agency cost and, additional costs on the fleet due to hire of vehicles.
 - Highways Service is forecasting an adverse position of £0.301m due to a pressure on Agency staff costs.
 - Building Control forecast pressure of £0.138m as a result of staff pressure based on agency costs and additional hours plus underachievement of an income target for Building Reg Fees.
 - Waste Management Service has an estimated overspend of £0.204m due to staff pressures, a pressure on the domestic bulky waste contract and an increase in fleet related costs.
 - Public Protection significant overspend forecast to year end of £0.786m. This is mainly due to increased cost on the Security and Response service of £0.427k, staffing pressure on Pest control £0.164k, additional costs on the Dog Warden service £0.127k and pressures on income targets in Trading Standards of £0.068k.
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Corporate Services – favourable variance at Quarter 1 of £0.608m and estimated favourable position of surplus at year end of £2.433m

3.22 Corporate Services is projecting a favourable variance at Quarter 1 which is estimated to be £2.433m by year end. The main reason for the favourable position relates to the number of vacant posts with the directorate. Certain services within the Directorate are continuing to experience difficulties in recruiting to permanent posts, whilst others are holding vacant posts to aid the Council's overall budget position. Given the financial position the Council is facing, and the new mitigations being implemented this favourable position is highly likely to increase as the year unfolds.

3.23 A detailed revenue table is attached at Appendix 1.

4 Mitigation of Current forecast Budget Position

4.1 It is a legal requirement that the Council report a balanced position at the end of the financial year. Failure to do so results in the Council's Section 151 officer having to produce a Section 114 report under the Local Government Act 1988.

4.2 To address the overspend to month three and to seek to influence the projected trajectory of the in year projected position, a series of actions and mitigations have been taken by the Management Board which include:

- Rigorous management review and challenge of all planned expenditure and to maximise income;
- Maintaining escalation of approvals to Senior Management level to ensure non-essential expenditure is minimised;
- A robust vacancy management process has been agreed by Management Board with any external recruitment to be undertaken by exception with Management Board level sign off;
- Service panels in Adult Social Care and Children's Services to review high-cost placement and care packages and step down costs where appropriate;
- Specific task and finish groups to look at reducing the cost in high demand service areas to create efficiencies and reduce cost;
- Reviewing existing budgetary contingencies and the ability to repurpose/reposition some of these towards meeting the in year challenge;
- Developing action plans to bring spend and savings back in line with budget projections; and
- The ongoing transformation programme, elements of this will be accelerated in-year to try to reduce the forecast overspend position. Any previously approved Budget reduction proposals for 2025/26 will look to be accelerated to relieve the in-year pressure.

4.3 Whilst several mitigations are a continuation of actions that were initiated last year (and previous years), the approach has been bolstered and enhanced to address the potential scale of the in year challenge. It is therefore essential that this approach is rigorously applied.

4.4 The effectiveness of management action and corporate procedures will continue to be closely monitored by Management Teams throughout the financial year. Management action should ease the overall financial pressures and the impact of these actions will be reported to Members through the regular financial monitoring reports submitted to Cabinet during the year. To the extent that the gap can only be mitigated through one off measures; to balance the in year budget, this will place further pressure on the revenue budget in 2024/25.

5 Progress on the delivery of the 2024/25 Approved Budget Savings

5.1 Table 2 below presents the progress on the delivery of the 2024/25 approved Budget savings. For savings rated as Amber, work is ongoing to achieve the saving or alternative delivery and in year mitigations are being identified to cover any potential shortfalls which may occur. For savings rated as Red, these are impacting the work on the Budget setting process for 2025/26 and work is ongoing to try to mitigate the impact in the current and future years. The Red savings are included in the adverse forecast revenue Quarter 1 outturn position for 2024/25. If these Red rated budget savings are mitigated downwards it would have a favourable impact on the forecast position for 2024/25.

5.2 In terms of savings, £16.587m of the £20.379m approved budget reduction targets are either delivered or on track to be delivered (Green & Amber), representing 81% of the total savings target with a further 19% or £3.792m with a high risk of not being achieved within this financial year. The table below summarises the progress by Directorate:

Table 2 –Summary on progress on delivery of 2024/25 Approved Budget Reductions

2024/25 Impact of Approved Budget Reductions	Green £000	Amber £000	Red £000	Total £000
Adult Social Care	(3,950)	(3,500)	0	(7,450)
Children's Services	(1,095)	(1,052)	(2,074)	(4,221)
Public Health	(175)	0	0	(175)
Place & Economic Growth	(2,354)	(800)	(1,718)	(4,872)
Corporate	(3,397)	(264)	0	(3,661)
TOTAL	(10,971)	(5,616)	(3,792)	(20,379)

Significant Budget reduction variances by Directorate

5.3 Children's Services budget reductions rated Red are in relation to certain proposals that were aimed at reducing the high-cost residential care placements and a £0.310m proposal for Home to School transport. Both these are highly unlikely to be achieved in year given the extreme pressures on the Children Looked After placements budget and Home to School transport. However, there are potential mitigations in the Children's in care budget proposals. The acceleration of moving children in care to semi-independent accommodation is above target and will continue to be monitored. This should be able to offset some of the unachieved budget reductions. This will be updated throughout the year and included within future reports.

5.4 The Place & Economic Growth Directorate has 3 approved budget reductions rated as Red:

- Creating a Better Place – These are savings associated with disposal of assets and are not forecast to be achieved. In addition, the budget reduction for 2023/24 of £0.600m has not been achieved which has resulted in a direct impact on the budget for 2024/25. The Directorate are looking at various options to try to mitigate the impact of the unachieved saving and it is expected that the budget reduction is likely to be partial completed by year end.
- There is pressure on two budget proposals linked to the capitalisation of staff time on regeneration and highways projects. As the Capital Programme is reviewed, there is a potential for certain schemes to be put on hold or removed from the programme. As at Quarter 1, the achievability of the two proposals is rated as Red.

5.5 Overall, it is expected that as the year unfolds, those budget reductions currently rated as Amber will proceed to Green. Through the review and direction of the Delivery Board on Red rated reductions, work will be done to mitigate the impact of the unachieved saving or an alternative way of achieving the budget savings will be identified. A complete list of all approved savings can be found in the Budget report which was presented to Council on 28 February 2024.

6 Reserves and Balances

6.1 On 1 April 2024, Reserves totalled £72.540m, split between Earmarked Reserves of £49.646m and other reserves such as Revenue Grant Reserve, Schools Reserve and DSG Surplus reserves totalling £22.894m. The General Fund Balance stood at £18.865m. Of the total Earmarked Reserves, approximately 29% are forecast to be spent in 2024/25.

Table 3 – Summary on Reserves Position

Directorate	Opening Balance £	Use of Reserves £000	Contribution to Reserves £000	Anticipated Year End Position £
Adult Social Care	(9,666)	3,376	-	(6,290)
Children's Services	(814)	331	-	(483)
Public Health	(1,114)	565	(385)	(934)
Place & Economic Growth	(3,057)	975	(50)	(2,132)
Corporate	(4,530)	460	-	(4,070)
Capital, Treasury and Technical Accounting	(19,712)	597	(2,115)	(21,230)
Balancing Budget 2024/25	(10,753)	10,753	-	-
Total Earmarked Reserves	(49,646)	17,058	(2,550)	(35,139)
Revenue Grant Reserves	(7,799)	1,290	(135)	(6,644)
Total Reserves	(57,446)	18,348	(2,685)	(41,783)

- 6.2 The Council is currently forecast to have £35.139m of Earmarked Reserves and £6.644m of Revenue Grant Reserves at the end of the financial year 2024/25. As detailed above there are significant management actions being implemented to address the projected in year deficit which should help reduce the overall gap down by year end, however to the extent that mitigations do not cover the deficit, there would need to be a further call on reserves to ensure that the Council's budget remains balanced. If there is a potential additional call on reserves to offset any unmitigated forecast deficit in year, the availability of reserves would be reduced, and which would impact the financial resilience of the Council.
- 6.3 Work is ongoing to review the proposed use of reserves in year and any movements and amendments to the current forecasts will be reported back in the Month 4 Budget Monitoring report.
- 6.4 A full list of all Earmarked Reserves can be found in the Council's draft Statement of Accounts 2023/24 on the Council's website.

7 Dedicated Schools Grant

- 7.1 The table below shows the Dedicated Schools Grant (DSG) 2023/24 outturn and the current forecast position for 2024/25 and 2025/26 as reported to the Schools Forum on 10 July 2024.

Table 4 - Dedicated Schools Grant

DSG Summary 2023/24 to 2024/25	2023/24 Outturn £000	2024/25 Forecast £000	2025/26 Forecast £000
Balance brought Forward	899	3,702	4,150
Grant Income	321,956	350,546	351,667
Expenditure			
Delegated to Schools	293,027	312,694	313,906
Retained Centrally	26,126	37,404	37,404
Total Expenditure	319,153	350,098	351,310
In Year Movement	2,803	448	357
Closing Balance	3,702	4,150	4,507

- 7.2 An in year 2023/24 surplus of £2.803m, increased the overall DSG balance carried forward into 2024/25 to £3.702m (subject to audit and DfE approval). The forecast has been updated to reflect the most up to date funding announcements and expenditure estimates. The DSG surplus is forecast to increase by a further £0.448m in 2024/25 and £0.357m in 2025/26, at which point the DSG surplus to be carried forward into 2026/27 will be £4.507m.

8 Revenue Funding and Collection Fund

- 8.1 Council Tax and Business Rates are a significant source of funding for Council services. However, income from these areas can be volatile. The 2024/25 financial year is no different with the on-going impact of the cost-of-living crisis having an impact on Council Tax collection. As such, the financial position of the Collection Fund is under constant review.
- 8.2 At the beginning of the financial year, it is often difficult to forecast a likely outturn position on Council Tax and Business Rates, given the patterns of cash collection, claims for Council Tax Support and exemptions have not yet matured. A detailed update will be provided in the Quarter 2 report.
- 8.3 The Greater Manchester 100% Business Rates Retention Pilot has continued into 2024/25. 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 and inform the Budget setting process for 2025/26.

9 Summary

- 9.1 The current projected position as at Quarter 1, shows a potentially significant overspend position by the end of the financial year. The financial pressures seen and the demand for services in both Adults and Children's Social Care, the cost of care and in relation to the pressures being felt by certain areas of the provider market and Housing, in particular Temporary Accommodation has continued the expenditure pressures trends of recent years. This is especially concerning as there was additional funding included in the 2024/25 budget to continue to stabilise Children's and Housing services. Whilst the Council has previously faced in-year financial pressures during the first quarter of the year, the current forecast is the most severe. As a consequence of the significant overspend in 2023/24, the Council's ability to mitigate the in-year position through short term use of reserves is depleted.
- 9.2 Whilst 81% of savings are on track to be delivered or are delivered, given the overall financial pressures facing the Council, the uncertainty around the deliverability of the remaining 19% of savings is a concern as this adds to the pressure on the budget. However, there is time for the reductions to be delivered and/ or mitigations to be put in place, and these will be closely monitored through the monthly Delivery Board meetings to ensure these targets are met.
- 9.3 The reserves position is important in the context of financial resilience. Whilst the year started with relatively healthy balances of Earmarked Reserves (£49.646m) and Revenue Grants Reserves (£7.800m) and other reserves (Schools and DSG Surplus reserve) totalling £15.094m a total of £72.540m, as advised in this report, net Earmarked Reserves totalling £14.508m and Revenue Grant Reserves of £1.115m are forecast to be called into support the 2024/25 revenue budget, after which there is an anticipated Earmarked Reserve balance of £35.139m and Revenue Grant Reserves of £6.644m. To maintain financial resilience, it is crucial that in year use of reserves is minimised.
-

9.4 In view of the adverse variance at Month 3, it is important to ensure that measures highlighted in section 4, are rigorously effected to help mitigate the projected year end variance. It must be noted that if the current financial pressures cannot be mitigated on an ongoing basis, this is likely to have an ongoing impact on the base budget and will increase the underlying budget gap for 2025/26. An update on the in year budget position and the impact of the proposed mitigations to reduce the adverse financial position will be brought to Cabinet in September in the Month 4 monitoring report, together with an early sight on the impact this has on the 2025/26 budget.

APPENDIX 1 - Directorate Summary Financial Positions

DIRECTORATE	SERVICE AREA	2024 Q1 Profiled Budget £000	Q1 Profiled Forecast £000	Q1 Profiled Variance £000	Annual Forecast Variance £000
Adult Social Care	Commissioning	4,001	4,005	4	15
	Community Business Services	290	237	(53)	(213)
	Clusters	773	740	(33)	(133)
	Community Health & Social Care	6,932	8,129	1,196	4,785
	Director Adult Social Care	412	406	(6)	(23)
	Learning Disability	3,870	3,938	68	273
	Mental Health	2,493	2,720	226	906
	Safeguarding	253	255	1	5
Adult Social Care Total		19,025	20,429	1,404	5,616
Children's Services	Children in Care	10,325	13,398	3,073	12,293
	Childrens Safeguarding	726	714	(12)	(47)
	Fieldwork & Family Support	2,904	3,172	269	1,075
	Children's Services Intergration	856	812	(44)	(176)
	Central Education Services	197	197	0	0
	Community / Adult Learning	75	75	0	0
	Inclusion Service	(28)	(28)	0	0
	Learning Services	73	85	11	46
	Learning Services - Early Years	(9)	(9)	(0)	0
	Post 16 Service	10	10	0	0
	School Support Services	5	5	0	0
	SEND Services	1,837	2,093	256	1,022
	Skills and Employment	162	162	0	0
	Early Help	863	857	(6)	(26)
	Schools	(13)	(13)	0	0
Children's Services Total		17,982	21,529	3,547	14,187
Public Health	Public Health (Client and Delivery)	4,784	4,754	(30)	(121)
Leisure Services	Leisure Services	947	930	(17)	(67)
Public Health Total		5,731	5,684	(47)	(188)
Place & Economic Growth	Business Growth	52	52	(0)	(1)
	Creating a Better Place	(57)	(57)	(0)	0
	Estates	(100)	512	612	2,450
	Facilities Management	(159)	(162)	(3)	(13)
	Planning	72	129	57	228
	Property Management	(547)	(546)	1	5
	Strategic Housing	69	45	(23)	(93)
	Town Centre and Markets	312	277	(35)	(139)
	Building Control	8	43	35	138
	Environmental Management	1,852	1,955	103	413
	Fleet Management	(81)	(81)	(1)	(2)
	Highways	1,015	1,090	75	301
	Public Protection	276	472	197	786
	Strategic Transport	4,318	4,318	0	0
	Street Lighting	1,069	1,060	(9)	(36)
	Waste Disposal Authority	4,472	4,472	0	0
	Waste Management Service	1,112	1,163	51	204
	Heritage, Libraries and Arts	1,526	1,536	10	40
	Community Safety	120	107	(13)	(52)
	District Partnerships	388	262	(126)	(506)
Strategic Housing	851	2,116	1,265	5,059	
Stronger Communities	49	48	(0)	(0)	
Youth Services Client	193	210	17	68	
Place & Economic Growth Total		16,811	19,023	2,213	8,850

DIRECTORATE	SERVICE AREA	2024 Q1 Profiled Budget £000	Q1 Profiled Forecast £000	Q1 Profiled Variance £000	Annual Forecast Variance £000
Corporate Services	Partnership Support (Borough and GM)	511	491	(20)	(81)
	Strategic Customer Service	137	137	0	0
	Chief Executive Management	459	383	(76)	(304)
	Communications and Research	234	219	(15)	(60)
	Customer Services	520	434	(86)	(344)
	ICT	1,260	1,205	(54)	(217)
	Executive Support	136	128	(7)	(30)
	Audit	907	836	(71)	(282)
	Commissioning and Procurement	141	117	(24)	(96)
	External Funding	14	14	0	0
	Finance	664	575	(89)	(357)
	Revenues and Benefits	966	1,058	92	367
	Transformation and Reform	78	(75)	(153)	(612)
	HR Strategy	756	709	(47)	(186)
	Organisational Development	70	31	(39)	(154)
	Democratic and Civic Services	425	424	(2)	(6)
	Elections	106	110	4	15
	Legal	425	439	13	53
	Registrars	5	(36)	(41)	(165)
Strategy and Performance	231	238	7	27	
Corporate Services Total		8,047	7,439	(608)	(2,433)
Capital Treasury and Technical	Corporate Expenses	5,455	5,455	0	0
Accounting	Housing Benefit Payments	98	98	0	0
	Interest and Investment Expenditure and Income	1,701	1,701	0	0
	Parish Precepts	90	90	0	0
	Corporate and Democratic Core	251	251	0	0
Capital Treasury and Technical Accounting Total		7,596	7,596	0	0
Grand Total		75,192	81,700	6,508	26,033

CAPITAL INVESTMENT PROGRAMME 2023/24 OUTURN and 2024/25 MONITORING REPORT Month 3 – June 2024

1 Background

- 1.1 The original capital programme for 2024/25 reflected the priorities outlined in the capital strategy as approved at Cabinet on 12 February 2024 and confirmed at the Council meeting on 28 February 2024.
- 1.2 The outturn position as at 31 March 2024 and the position at the end of Month 3 (June 2024) is highlighted in this report.
- 1.3 For the remainder of the financial year, 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 Table 1 below shows the capital programme for 2024/25 and a further four years to 2028/29, and reflects the priorities outlined in the capital strategy as approved at Cabinet on 12 February 2024 and confirmed at the Council meeting on the 28 February 2024.

Table 1 – 2024/29 Capital Strategy

Directorate Budget	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
Community Health and Adult Social Care	4,443	1,000	-	-	-	5,443
Children's Services	4,724	5,058	3,188	2,000	-	14,970
Communities	100	173	-	-	-	273
Place and Economic Growth	83,226	68,621	26,601	17,859	1,000	197,307
Housing Revenue Account (HRA)	628	95	-	-	-	723
Corporate/Information Technology (IT)	2,919	2,809	2,039	3,661	1,000	12,428
Capital, Treasury & Technical Accounting	2,600	-	125	10,120	-	12,845
Funding for Emerging Priorities	1,043	3,318	2,885	2,000	-	9,246
Total Expenditure	99,683	81,076	34,838	35,640	2,000	253,237

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

Funding	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
Grant & Other Contributions	(43,834)	(28,633)	(6,494)	(4,054)	-	(83,015)
Prudential Borrowing	(49,638)	(51,646)	(27,851)	(31,494)	(2,000)	(162,629)
Revenue Contributions	(630)	(95)	-	-	-	(725)
Capital Receipts	(5,581)	(702)	(493)	(92)	-	(6,868)
Grand Total	(99,683)	(81,076)	(34,838)	(35,640)	(2,000)	(253,237)

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

2.2 Following the 2023/24 Month 9 report which was approved at Cabinet on 18 March 2024, the 2023/24 Capital Programme was revised to reflect anticipated reprofiling. Forecast expenditure consequently decreased to £79.466m. Taking into account the 2023/24 months 10-12 approved movements of £2.418m and the net outturn adjustment of £0.673m, this resulted in an outturn position of £81.211m, an adverse variance of £1.745m against the revised, approved budget.

Table 2 – 2023/24 Capital Outturn

Directorate	Capital Strategy 2023-28	Revised Budget (M09)	Approved Virements (M10-M12)	Year End Rephase	Outturn 2023-24	Outturn v M09 Variance
	£000	£000	£000	£000	£000	£000
Community Health and Adult Social Care	3,023	5,302	71	1,573	6,946	1,644
Children's Services	10,258	4,281	1,708	(1,549)	4,440	159
Communities	400	186	-	(116)	70	(116)
Place and Economic growth	83,936	61,607	641	1,747	63,995	2,388
Housing Revenue Account	1,000	764	-	(700)	64	(700)
Corporate/Information Technology	5,958	4,726	(2)	(1,628)	3,096	(1,630)
Capital Treasury & Technical Accounting	4,238	2,600	-	-	2,600	-
Funding for Emerging Priorities	1,492	-	-	-	-	-
Overall Total	110,305	79,466	2,418	(673)	81,211	1,745

2024/25 Capital Programme

2.3 Following the approval of the Capital Strategy in March 2024, a small number of year- end reprofiling adjustments and new approvals have taken place as follows:

Rephasing

2.4 Rephasing has resulted in an increase of £0.931m for 2024/25 which comprises:

- £0.673m of expenditure carried forward from 2024/25 as identified above and
- £0.258m brought forward from 2025/26.

Virements

2.5 These comprise:

- an additional £220k relating to a higher than anticipated grant award for the Disabled Facilities Grant and
- an acceleration of funding of £39k from 2025/26 in relation to the GIS Service-Geo Server Implementation project.

2.6 This leaves the revised 2024/25-2028/29 capital programme at £101.680m, an increase of £1.997m, which is broken down in the Table 3

Table 3

Directorate Budget	Capital Strategy 2024-29 £000	Approved Virements (M10-M12) £000	Year End Rephase £000	Approved Virements (to M03) £000	Current Budget (M03) £000	Spend to M03 £000
Community Health and Adult Social Care	4,443	-	(1,573)	220	3,090	694
Children's Services	4,724	-	1,611	-	6,335	132
Communities	100	-	116	-	216	32
Place and Economic Growth	83,226	807	(1,507)	-	82,526	10,844
Housing Revenue Account (HRA)	628	-	700	-	1,328	-
Corporate/Information Technology (IT)	2,919	-	1,700	39	4,658	194
Capital, Treasury & Technical Accounting	2,600	-	-	-	2,600	-
Funding for Emerging Priorities	1,043	-	(116)	-	927	-
Grand Total	99,683	807	931	259	101,680	11,895

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

- 2.7 Given that this is the position as at Month 3 and in view of the current challenges being faced including the pressure caused by the economic position, there must remain an element of uncertainty about the forecast position. A further breakdown of Table 3 on a service-by-service area basis is shown at Appendices A to H.
- 2.8 Actual expenditure to 30 June 2024 was £11.895m (11.70% of the proposed forecast outturn). This spending profile is similar to last year's (11.96%). The position will be kept under review and budgets will be managed in accordance with forecasts.
- 2.9 The revised capital programme for 2024/25 to 2028/29, considering all the above amendments in arriving at the revised forecast position, is shown in Table 4 together with the projected financing profile.

Table 4 – 2024/25 to 2028/29 Current Capital Programme

Directorate Budget	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	TOTAL £000
Community Health and Adult Social Care	3,090	1,000	-	-	-	4,090
Children's Services	6,335	5,059	3,188	2,000	-	16,582
Communities	216	173	-	-	-	389
Place and Economic Growth	82,526	68,437	26,601	17,859	1,000	196,423
Housing Revenue Account (HRA)	1,328	95	-	-	-	1,423
Corporate/Information Technology (IT)	4,658	2,700	2,039	3,661	1,000	14,058
Capital, Treasury & Technical Accounting	2,600	-	126	10,120	-	12,846
Funding for Emerging Priorities	927	3,318	2,884	2,000	-	9,129
Grand Total	101,680	80,782	34,838	35,640	2,000	254,940

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

Funding	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	TOTAL £000
Grant & Other Contributions	(50,200)	(28,632)	(6,494)	(4,054)	-	(89,380)
Prudential Borrowing	(43,410)	(51,353)	(27,851)	(31,494)	(2,000)	(156,108)
Revenue Contributions	(1,351)	(95)	-	-	-	(1,446)
Capital Receipts	(6,719)	(702)	(493)	(92)	-	(8,006)
Grand Total	(101,680)	(80,782)	(34,838)	(35,640)	(2,000)	(254,940)

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

Capital Receipts

- 2.10 The capital programme requires the availability of £6.719m of capital receipts in 2024/25 for financing purposes. This includes £2.600m to support transformational activity in the General Fund using the flexibility allowed by Government.

The total net usable capital receipts currently received in year is £0.072m, the first call being the £2.600m outlined above.

- 2.11 The capital receipts position as at 30 June 2024 is as follows:

Table 6 – Capital Receipts 2024/25

	£000	£000
Capital Receipts Financing Requirement		6,719
Usable Capital Receipt b/fwd.	-	
Actual capital receipts received to date	(72)	
Identified in year capital receipts	(4,725)	
Further Required in 2024/25		1,922

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

- 2.12 Given the significant amount of capital 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 throughout the year. It is of course recognised that the ongoing economic instability with high interest rates and the impact on borrowing costs, coupled with the increase cost of living will continue to impact on business/economic activities making capital disposals more challenging.
- 2.13 The Capital Strategy and Capital Programme 2024/29 incorporates an expectation of 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 budget. As can be seen below, the most recent review has produced a forecast which is below the financing projections included in Table 3. Should the currently estimated position prevail then the position would be as illustrated in the table below:

Table 7 – Capital Receipts 2024/25 to 2028/29

Capital Receipts	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Capital Receipts Carried Forward	-	2,066	(6,122)	(7,069)	(9,554)
Identified Capital Receipts	(4,725)	(8,890)	(1,440)	(2,577)	-
Received in year	72				
Total Receipts	(4,653)	(6,824)	(7,562)	(9,646)	(9,554)
Capital Receipts Financing Requirement	6,719	702	493	92	-
Over/(Under) programming	2,066	(6,122)	(7,069)	(9,554)	(9,554)

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

- 2.14 Although the capital receipts forecast is currently lower than the required amount, given that this is the month 3 position and there is the opportunity for the forecast to improve, at this stage it is considered appropriate to retain the original forecast and review this during the course of the current year. The consequence should the level of capital receipts fall is either, a corresponding increase in the level of prudential borrowing and hence an impact on the revenue budget, or a reduction in the overall capital programme.

Annual Review of the Capital Programme

- 2.15 In accordance with previous practice, there is once again a review of the capital programme over the summer months (the Summer Review). This is examining any further opportunities to reallocate, decommission or reprofile resources. It will also include an in-depth analysis of capital receipts to support a revised forecast.

3 Conclusion

- 3.1 Whilst the current projected position is showing the outturn to match the budget, a detailed review of the capital programme (the Annual Review) is being undertaken to establish if there are any surplus resources that can be realigned or any further re-profiling required. It is therefore likely that there will be further rephasing across all years to reflect developments relating to individual projects/schemes.
- 3.2 The capital programme is being continually monitored and is reported to Members on a regular basis.

4 Appendices

- 4.1 Appendix A - SUMMARY – Month 3 - Community Health and Adult Social Care
 Appendix B - SUMMARY – Month 3 - Children’s Service
 Appendix C - SUMMARY – Month 3 – Communities+
 Appendix D - SUMMARY – Month 3 - Place and Economic Growth
 Appendix E - SUMMARY – Month 3 - Housing Revenue Account (HRA)
 Appendix F - SUMMARY – Month 3 - Corporate/Information Technology
 Appendix G - SUMMARY – Month 3 - Capital Treasury and Technical Accounting
 Appendix H - SUMMARY – Month 3 - Funding for Emerging Priorities

SUMMARY – Month 3 (June 2024) - Community Health and Adult Social Care**APPENDIX A**

Service area	Original Budget £000	Approved Changes /Virements 2023/24 £000	2023/24 Rephasing/ Acceleration £000	Approved Virements 2024/25 £000	Revised Budget (M03) £000	Expend to M03 £000
Adult Services	4,443	-	(1,573)	220	3,090	694
Community Health and Adult Social Care Total	4,443	-	(1,573)	220	3,090	694

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

SUMMARY – Month 3 (June 2024) – Children’s Services**APPENDIX B**

Service area	Original Budget £000	Approved Changes /Virements 2023/24 £000	2023/24 Rephasing/ Acceleration £000	Approved Virements 2024/25 £000	Revised Budget (M03) £000	Expend to M03 £000
Children, Young People and Families (CYPF)	-	-	682	-	682	33
Schools - General Provision	3,545	-	(221)	-	3,324	6
Schools – Primary	1,084	-	506	-	1,590	9
Schools – Secondary	85	-	630	-	715	81
Schools – Special	10	-	15	-	25	3
Children’s Service Total	4,724	-	1,611	-	6,335	132

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

SUMMARY – Month 3 (June 2024) – Communities**APPENDIX C**

Service area	Original Budget £000	Approved Changes /Virements 2023/24 £000	2023/24 Rephasing/ Acceleration £000	Approved Virements 2024/25 £000	Revised Budget (M03) £000	Expend to M03 £000
Local Investment Fund	100	-	116	-	216	32
Communities Total	100	-	116	-	216	32

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

SUMMARY – Month 3 (June 2024) – Place and Economic Growth

APPENDIX D

Service area	Original Budget £000	Approved Changes /Virements 2023/24 £000	2023/24 Rephasing/ Acceleration £000	Approved Virements 2024/25 £000	Revised Budget (M03) £000	Expend to M03 £000
Asset Management – Corporate Premises	5,705	(65)	(107)	-	5,533	869
Asset Management - Education Premises	2,869	-	864	-	3,733	2
Boroughwide Developments	18,868	66	4,107	-	23,041	2,637
Boroughwide District Projects	17	-	10	-	27	-
Cemeteries and Crematorium	-	-	46	-	46	-
Countryside	91	1	37	-	129	81
Parks	235	234	257	-	726	160
Playing Fields & Facilities	-	-	157	-	157	296
Parks & Playing Fields	-	-	11	-	11	-
Private Housing	150	295	82	-	527	296
Strategic Acquisitions	4,669	-	478	-	5,147	68
Town Centre Developments	34,244	-	(10,723)	-	23,521	4,269
Accident Reduction	516	17	532	-	1,065	73
Bridges & Structures	3,926	45	1,443	-	5,414	502
Fleet Management	370	-	298	-	668	981
Highway Major Works/Drainage schemes	11,188	212	415	-	11,815	588
Minor Works	227	2	278	-	507	18
Miscellaneous	151	-	308	-	459	4
Place and Economic Growth Total	83,226	807	(1,507)	-	82,526	10,844

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

SUMMARY – Month 3 (June 2024) - Housing Revenue Account (HRA)**APPENDIX E**

Service area	Original Budget £000	Approved Changes /Virements 2023/24 £000	2023/24 Rephasing/ Acceleration £000	Approved Virements 2024/25 £000	Revised Budget (M03) £000	Expend to M03 £000
Housing Revenue Account	628		700		1,328	-
HRA Total	628	-	700	-	1,328	-

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

SUMMARY – Month 3 (June 2024) – Corporate/Information Technology (IT)**APPENDIX F**

Service area	Original Budget £000	Approved Changes /Virements 2023/24 £000	2023/24 Rephasing/ Acceleration £000	Approved Virements 2024/25 £000	Revised Budget (M03) £000	Expend to M03 £000
Information Technology	2,919		1,700	39	4,658	194
Information Technology Total	2,919	-	1,700	39	4,658	194

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

SUMMARY – Month 3 (June 2024) – Capital Treasury and Technical Accounting**APPENDIX G**

Service area	Original Budget £000	Approved Changes /Virements 2023/24 £000	2023/24 Rephasing/ Acceleration £000	Approved Virements 2024/25 £000	Revised Budget (M03) £000	Expend to M03 £000
Cross Cutting /Corporate	2,600	-	-	-	2,600	-
Capital Treasury and Technical Accounting Total	2,600	-	-	-	2,600	-

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

SUMMARY – Month 3 (June 2024) - Funding for Emerging Priorities**APPENDIX H**

Service area	Original Budget £000	Approved Changes /Virements 2023/24 £000	2023/24 Rephasing/ Acceleration £000	Approved Virements 2024/25 £000	Revised Budget (M03) £000	Expend to M03 £000
Funding for Emerging Priorities	1,043		(116)		927	-
Funding for Emerging Priorities Total	1,043	-	(116)	-	927	-

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

REVENUE OUTTURN REPORT 2023/24

1 Background

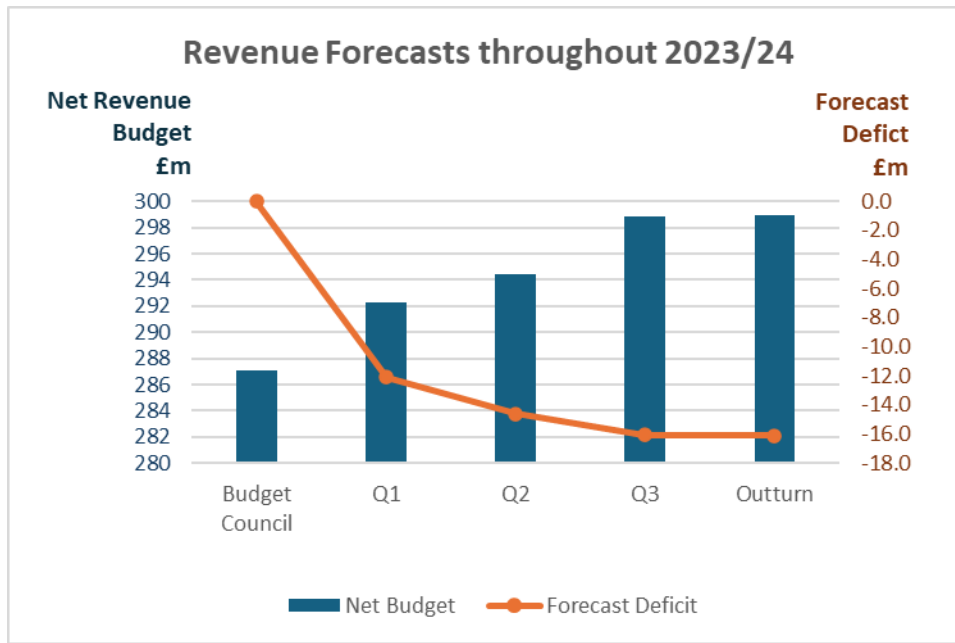
- 1.1 This report provides confirmation of the outturn position for 2023/24 and is consistent with the position reported in the Narrative section of the Council's draft accounts. Note that the outturn detailed reported in this report is different from the result published within the Council's Comprehensive Income and Expenditure Statement (CIES) - which for 2023/24 shows a deficit of £45.176m (2022/23 surplus £459.330m) - due to various technical adjustments, the most significant being the remeasurement of the Council's pension fund assets and liabilities.
- 1.2 The Council published its draft, unaudited accounts on 7 June 2024. However, due to delays in the completion of other local authorities' audits in respect of previous years, Oldham Council's audit cannot commence until the backlog across the country has been substantially cleared. It is now expected that Oldham's audit will commence in September 2024.

2 Revenue Outturn

- 2.1 At its meeting on 1 March 2023, the Council approved a net revenue budget of £287.051m for the financial year 2023/24. During the year, a number of amendments were approved to the budget to reflect additional grant receipts such that by the year end the approved net revenue budget was £298.906m.
- 2.2 Since the start of the financial year, the Council saw significant pressure on the Revenue Budget. At Quarter 1, the forecast revenue outturn for 2023/24 was an adverse variance of £12.104m after the application of £7.385m of reserves. This forecast adverse variance was at this point driven by pressures being reported in three directorates; Community Health and Adult Social Care (£0.518m), Place and Economic Growth (£3.553m) and more significantly, Children's Services (£10.886m) which were regarded as an early indication of a potential overspend at year end.
- 2.3 The adverse forecast outturn position increased further at Quarter 2 with the projected deficit increasing by £2.454m to £14.588m after allowing for approved and pending transfers to and from reserves. Identified pressures and projected overspends continued to centre around the same three Directorates: Community Health and Adult Social Care (£0.558m), Place and Economic Growth (£4.797m) and Children's Services (£12.593m). These overspends were offset by favourable variances in Public Health, Communities, Corporate Services and Corporate Accounting.
- 2.4 The final formal reporting period of the year at Quarter 3 saw a further worsening of the outturn position with the projected adverse variance increasing by £2.054m to £16.642m. The increase in the projected overspend arose due to increased pressures in Community Health and Adult Social Care (£0.864m), Place and Economic Growth (£5.442m) and Children's Services (£14.240m).
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2.5 Outturn spend against the approved net revenue budget was £313.038m, an overall adverse variance against budget of £16.114m. To balance the budget and to prevent an impact on the Council's General Fund, an unbudgeted contribution from Earmarked Reserves of £16.114m was made to fund the overspend.

2.6 The graph below, highlights the budget movement during the year together with the forecast adverse position throughout 2023/24.



2.7 The Council's 2023/24 outturn position is shown in the following table:

Revenue Outturn 2023/24	Budget £000	Actual £000	Variance £000
Net revenue expenditure			
Community Health and Adult Social Care	81,764	83,189	1,424
Children's Services	72,322	86,018	13,695
Public Health	24,346	23,940	(406)
Communities	9,337	8,941	(396)
Place & Economic Growth	68,057	73,055	4,998
Corporate Services	32,636	30,411	(2,225)
Capital, Treasury and Technical Accounting	10,444	9,467	(978)
Net Directorate Expenditure	298,906	315,020	16,114
Financed by:			
Locally Generated Income	(163,006)	(163,006)	-
Government Grants	(119,120)	(119,120)	-
Capital Grants	(1,073)	(1,073)	-
Use of Earmarked Reserves	(11,577)	(11,577)	-
Technical Adjustment - Collection Fund	(4,130)	(4,130)	-
Total Financing	(298,906)	(298,906)	-
Current Net Overspend	-	16,114	16,114
Use of General Earmarked Reserves	-	(16,114)	(16,114)

The following major movements occurred across the directorates:

Community Health & Adult Social Care (CHASC)

- 2.8 The CHASC outturn position was a £1.424m overspend; an increase of £0.561m compared to £0.863m reported at Quarter 3. The overspend arose primarily due to increased costs in care packages.

Childrens' Services

- 2.9 Children's Services outturn position was an overspend of £13.695m. Much of the overspend (£12.849m) relates to pressures within the Children's Social Care and Preventative Services budget which funds social care placements, including high-cost external residential packages. The overspend is partially offset by increased Continuing Health Care funding, income receivable from the Home Office for Unaccompanied Asylum Seekers and foster carer payments. In addition, pressures in the Children's with Disabilities Service, assistance to families, and use of agency staff in the Fieldwork and Family Support created further overspends however these were in part offset by vacant posts across Business Support and Preventative Services.

Place & Economic Growth

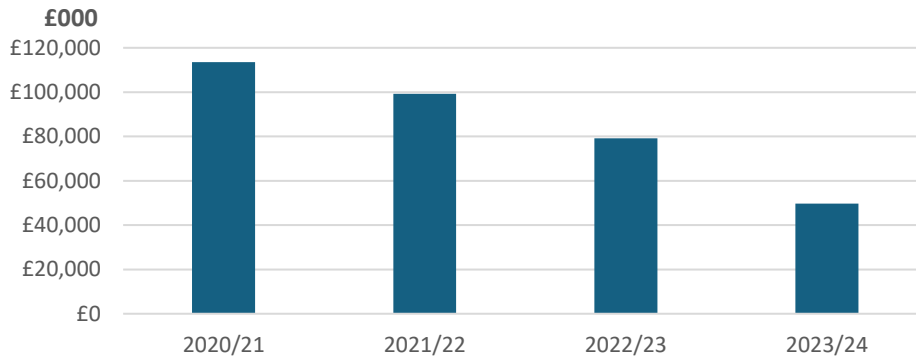
- 2.10 The Place & Economic Growth directorate overspent by £4.998m. Much of the pressures on the directorate budget arose from two main areas: firstly an increased demand for temporary accommodation leading to an overspend of £2.317m against the available budget. Secondly, a £2.565m overspend against the Estates and Property Management budget arose as a result of increased repairs and maintenance to the Council's asset base, increased expenditure on rates and the non-achievement of planned savings in respect of the Creating a Better Place Programme. Increased expenditure on day to day operations in Highways led to a £0.479m overspend in this area.
- 2.11 Overspends in the areas highlighted above were offset by underspends in Corporate Services, Public Health and Communities and Leisure, driven primarily through due to staff vacancies.
- 2.12 Transfers from Earmarked Reserves have been used to mitigate the impact of the overspend on the General Fund resulting in a nil change to the overall General Fund balance. As outlined elsewhere in this report, the use of Earmarked Reserves to combat overspends is a short-term measure and cannot be used indefinitely.

3 Implications for Future Years

- 3.1 The pressures facing the Council reflect nationwide issues affecting the Local Government sector as a whole. As the Quarter 1 Revenue report shows, this trend has continued into 2024/25. There is no indication that these trends will curtail in the future meaning the Council must continue to make difficult decisions to maintain financial resilience and continue to provide effective services in the future.
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3.2 In 2023/24 and previous years, the Council has utilised its Earmarked Reserves to meet shortfalls in funding. The following graph shows the Earmarked Reserves balances since 2020/21. There has been a general downward trend in balances since that time and an overall decrease of 56.35%.

Earmarked Reserves balances



3.3 The continued use of reserves has had the impact of deferring the changes required to balance the revenue budget by on-going sustainable means but is no longer an option for future years.

4 Capital

- 4.1 The Capital budget for 2023/24 was approved at £110.305m at Budget council on 1 March 2023. The 2023/24 Capital Programme was subsequently revised to reflect anticipated reprofiling and consequently decreased to £79.466m following the Month 9 Monitoring Report. This was approved at Cabinet on 18 March 2024.
- 4.2 As shown in the table below, the total expenditure during the year was £81.211m, an increase of £1.745m against the latest revised budget. This incorporates months 10-12 approved movements of £2.418m and rephasing of £0.673m.

Directorate	Capital Strategy 2023-28	Revised Budget (M09)	Approved Virements (M10-M12)	Year End Rephase	Outturn 2023-24	Outturn v M09 Variance
	£000	£000	£000	£000	£000	£000
Community Health and Adult Social Care	3,023	5,302	71	1,573	6,946	1,644
Children's Services	10,258	4,281	1,708	(1,549)	4,440	159
Communities	400	186	-	(116)	70	(116)
Place and Economic growth	83,936	61,607	641	1,747	63,995	2,388
Housing Revenue Account	1,000	764	-	(700)	64	(700)
Corporate/Information Technology	5,958	4,726	(2)	(1,628)	3,096	(1,630)
Capital Treasury & Technical Accounting	4,238	2,600	-	-	2,600	-
Funding for Emerging Priorities	1,492	-	-	-	-	-
Overall Total	110,305	79,466	2,418	(673)	81,211	1,745

5 Housing Revenue Account (HRA)

- 5.1 As of 31 March 2024, the Council had a total housing stock of 2,085 dwellings. This comprises 1,231 Houses and Bungalows, and 854 Flats and Maisonettes, with the vast majority managed through two PFI schemes.
- 5.2 As shown in the table below, the overall balance on the HRA on 31 March 2024 was in surplus of £21.106m. This is expected to gradually increase over time until the PFI contract expires in 2036. The financial result for 2023/24 was a deficit of £1.479m.
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Movement on the HRA Statement	Prior Year £000	Current Year £000
Opening Balance	(21,719)	(22,585)
(Surplus)/Deficit for the year on the HRA Income and Expenditure Statement	(231)	1,119
Adjustments between accounting basis and funding basis under statute	(634)	360
(Increase)/Decrease in the HRA Balance	(866)	1,479
Closing Balance	(22,585)	(21,106)

6 Dedicated Schools' Grant

6.1 The balance in respect of the Dedicated School Grant increased from £0.899m to £3.702m during 2023/24, an increase of £2.803m. Details are shown in the table below:

		2023/24		
		Central Expenditure	Individual Schools Budget	Total
Not e		£000	£000	£000
F	Agreed initial budgeted distribution in 2023/24	61,138	118,245	179,383
G	In year adjustments	(101)	38	(63)
H	Final budget distribution for 2023/24	61,037	118,283	179,320
I	Less: Actual central expenditure	(55,460)	-	(55,460)
J	Less: Actual ISB deployed to schools		(117,960)	(117,960)
K	Plus: Local authority contribution for 2023/24	-	-	-
L	In Year Carry-forward to 2024/25	5,577	323	5,900
M	Plus: Carry-forward to 2024/25 agreed in advance			616
N	Carry-forward to 2024/25			6,516
O	DSG unusable reserve at the end of 2022/23			(2,814)
P	Addition to DSG unusable reserve at the end of 2023/24			-
Q	Total of DSG unusable reserve at the end of 2023/24			(2,814)
R	Net DSG position at the end of 2023/24			3,702

7 Collection Fund

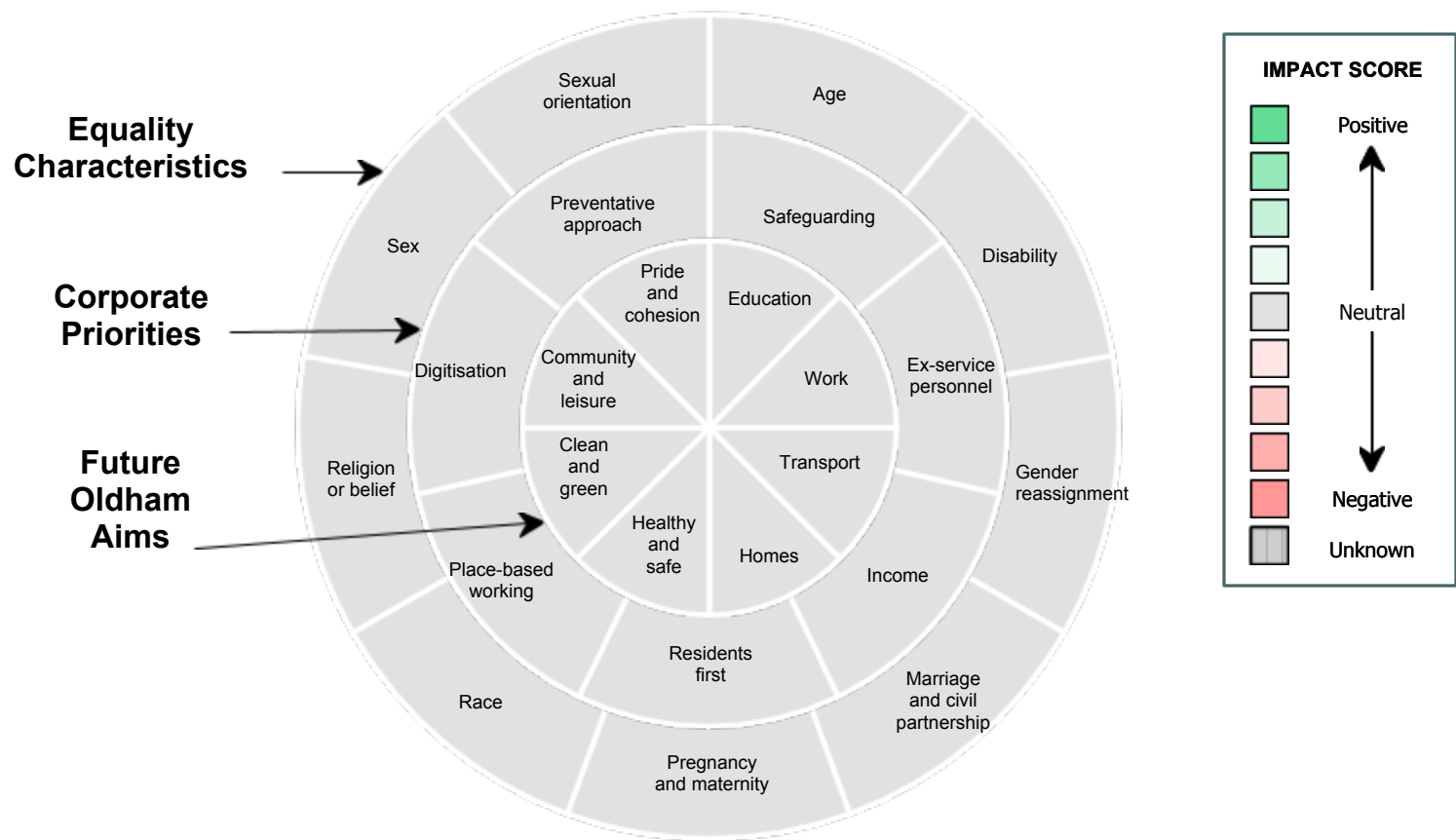
7.1 The Collection Fund incurred a deficit for the year of £2.767m during the year but this includes drawing down £4.130m to support the 2023/24 budget, as approved at Budget Council on 1 March 2024. The balance on the Collection Fund as at 31 March 2024 was £0.950m as shown in the table below:

Collection Fund	Council Tax £000	Business Rates £000	Total £000
Balance brought forward	410	(4,127)	(3,717)
Deficit for the year	(220)	2,987	2,767
Balance carried forward	190	(1,140)	(950)

7.2 This balance is allocated as follows:

Oldham Council	(969)
GMPCC	21
GMCA	(2)
Total	(950)

Annex 4 - EIA: Financial Monitoring 24/25 (Q01)



Annex 4- EIA: Financial Monitoring 24/25 (Q01)				
	Impact	Likelihood	Duration	Comment
Equality Characteristics				
Age	Neutral	Possible	Short Term	The report considers the 2024/25 financial position of the Council at Quarter 1 (30 June 2024) and as such, in isolation has no direct impact on Equality
Disability	Neutral	Possible	Short Term	As Above
Gender reassignment	Neutral	Possible	Short Term	As Above
Marriage and civil partnership	Neutral	Possible	Short Term	As Above
Pregnancy and maternity	Neutral	Possible	Short Term	As Above
Race	Neutral	Possible	Short Term	As Above
Religion or belief	Neutral	Possible	Short Term	As Above
Sex	Neutral	Possible	Short Term	As Above
Sexual orientation	Neutral	Possible	Short Term	As Above
Corporate Priorities				
Safeguarding	Neutral	Possible	Short Term	The report considers the 2024/25 financial position of the Council at Quarter 1 (30 June 2024) and as such, in isolation has no direct impact on Equality
Ex-service personnel	Neutral	Possible	Short Term	As Above
Income	Neutral	Possible	Short Term	As Above
Residents first	Neutral	Possible	Short Term	As Above
Place-based working	Neutral	Possible	Short Term	As Above
Digitisation	Neutral	Possible	Short Term	As Above
Preventative approach	Neutral	Possible	Short Term	As Above
Future Oldham Aims				
Education	Neutral	Possible	Short Term	The report considers the 2024/25 financial position of the Council at Quarter 1 (30 June 2024) and as such, in isolation has no direct impact on Equality
Work	Neutral	Possible	Short Term	As Above
Transport	Neutral	Possible	Short Term	As Above
Homes	Neutral	Possible	Short Term	As Above
Healthy and safe	Neutral	Possible	Short Term	As Above
Clean and green	Neutral	Possible	Short Term	As Above
Community and leisure	Neutral	Possible	Short Term	As Above
Pride and cohesion	Neutral	Possible	Short Term	As Above