

## Report to Cabinet

# Revenue Monitor and Capital Investment Programme 2024/25 Month 4 – July 2024

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

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

**Report Author:** Lee Walsh, Assistant Director of Finance

**16 September 2024**

---

### Reason for Decision

The report provides Cabinet with an update as at 31 July 2024 (Month 4) 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).

### Executive Summary

#### Revenue Position

The forecast overspend position based on the Month 4 profiled budget is £7.202m which if not addressed would result in a year-end overspend of £21.065m (£26.033m at month 3).

This financial monitoring report follows on from the position reported at Month 3 and should be used as a warning of the potential year-end position if no further action is taken to reduce net expenditure. The management actions already implemented for 2024/25 have been factored into the Month 4 forecasts and this has resulted in a reduction in the position previously reported. Work continues across the organisation to address this position and it is anticipated that by the year end, the current outturn deficit position should reduce even further.

An update on the Month 4 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 £103.935m at the

---

close of month 4 (£101.680m at Month 3), a net increase of £2.255m. Actual expenditure to 31 July 2024 was £17.397m (16.74% 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.

## **Recommendations**

That Cabinet:

1. Notes the contents of the report.
2. Approves forecast profiled budget, being an adverse position of £7.202m at Month 4 and the forecast potential adverse position by year end of £21.065m, with mitigations in place to reduce expenditure.
3. Approved the revised capital programme for 2024/25 including the proposed virements and the forecast for the financial years to 2028/29 as at Month 4 as outlined in Annex 2.

**Revenue Monitor and Capital Investment Programme 2024/25 Month 4 – July 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 Month 4.
- 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 the monitoring report previously presented, a cautious approach has generally been taken when preparing the current forecasts. For this period however, the impact of management actions particularly around staffing and non-essential spending have been included.
- 2.2 This Month 4 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 Month 4 profiled budget is £7.202m which if not addressed urgently has a year-end forecast of £21.065m (£26.033m at Month 3). This is an improved position of £4.968m from that reported at Month 3.
- 2.3 The main areas of concern identified in the Month 4 monitoring report (based on the month 3 profiled budget) are the same as those reported at Month 3 and are:
- Community Health and Adult Social Care an adverse position of £1.868m,
  - Children's Services estimated overspend of £4.400m; and
  - Strategic Housing, in particular Temporary Accommodation a forecast overspend of £1.767m.
- 2.4 The projected net adverse variance is of concern and as a result, management mitigations have been actioned and are contributing to the change in the forecast position reported along with the re-assessment on assumptions within the Capital, Treasury and Technical Accounting and the work within Children's Services. Further detail on 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 Month 4 taking into account any approved carry forwards, approved new funding, new schemes and variations and proposed variations/ re-phasing gives projected revised expenditure of £103.935m (£101.860m as at Month 3). This revised

---

programme incorporates the impact of the updated Creating a Better Place programme as reported to Cabinet on 15 July 2024. Actual expenditure at Month 4 was £17.397m (16.74% 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 is currently taking place. 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 in the month 6 report.

### **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 Implications**

7.1 There are no legal issues at this time.

### **8 Equality Impact – Including Implications for Children and Young People**

8.1 An equality impact assessment has been included at Annex 3.

### **9 Key Decision**

9.1 Yes

### **10 Key Decision Reference**

10.1 FCR-16-24

### **11 Background Papers**

11.1 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

Officer Name: Lee Walsh

Contact: lee.walsh@oldham.gov.uk

File Ref: Capital Background Papers are contained in Annex 2 including Appendices 1 and 2A to 2H

Officer Name: James Postle

Contact No: [james.postle@oldham.gov.uk](mailto:james.postle@oldham.gov.uk)

## 12 Appendices

**Annex 1 Revenue Budget Monitoring Report 2024/25 Month 4 - July 2024**

Appendix 1 Directorate Summary Financial Position

**Annex 2 Capital Investment Programme Report 2024/25 Month 4 - July 2024**

Appendix 1 Proposed Changes

Appendix 2A SUMMARY – Month 4 - Community Health and Adult Social Care

Appendix 2B SUMMARY – Month 4 - Children’s Service

Appendix 2C SUMMARY – Month 4 - Communities

Appendix 2D SUMMARY – Month 4 - Place and Economic Growth

Appendix 2E SUMMARY – Month 4 - Housing Revenue Account (HRA)

Appendix 2F SUMMARY – Month 4 - Corporate/Information Technology

Appendix 2G- SUMMARY – Month 4 - Capital Treasury and Technical Accounting

Appendix 2H- SUMMARY – Month 4 - Funding for Emerging Priorities