

Report to Cabinet

Revenue Monitor and Capital Investment Programme 2024/25 Quarter 3 – December 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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17 February 2025

Reason for Decision

The report provides Cabinet with an update as at 31 December 2024 (Quarter 3) of the Council's 2024/25 forecast revenue budget position (at Annex 1) alongside 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 Quarter 3 profiled budget is £10.634m which if not addressed would result in a year-end overspend of £14.178m (£20.390m at Month 8).

This financial monitoring report follows on from the previously reported positions and warns on 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 current forecasts. 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 Quarter 3 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 £87.260m at the close of Quarter 3 (£99.553m at Month 8), a net reduction of £12.293m. Actual expenditure to 31 December 2024 was £53.478m (61.23% of the forecast outturn).

Recommendations

That Cabinet:

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

Revenue Monitor and Capital Investment Programme 2024/25 Quarter 3 – December 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 3.
- 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. However, the continued impact of management actions have been included.
- 2.2 This Quarter 3 revenue monitoring report continues 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 as included within the council's Medium Term Financial Strategy. A projected overspend based on the Quarter 3 profiled budget is £14.584m which if not addressed has a year-end forecast of £19.805m (£20.390m at Month 8).
- 2.3 The main areas of concern identified in the Quarter 3 monitoring report (based on the Quarter 3 profiled budget) are the same as those reported at Month 8 and are:
- Adult Social Care an adverse position of £6.975m,
 - Children's Services estimated overspend of £8.923m; and
 - Strategic Housing, in particular Temporary Accommodation a forecast overspend of £4.368m.
- 2.4 A revised Minimum Revenue Provision (MRP) Policy was presented and subsequently agreed at the Council meeting of 20 January 2024. After this revised policy has been reflected within the accounts, a favourable movement of £5.267m has been generated and this is the largest contributing factor for the positive change between reporting periods.
- 2.5 The projected net adverse variance is of concern and as a result, management mitigations were and have continued to be actioned and are contributing to the forecast position reported, however demand pressures continue to impact the financial position. Further detail on the mitigations implemented are detailed in Annex 1 and are essential to support the financial resilience of the Council.
- 2.6 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.
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2.7 The original capital programme for 2024/25 totalled £99.683m. The revised capital programme as at Quarter 3 taking into account any approved carry forwards, approved new funding, new schemes and variations and proposed variations/ re-phasing gives projected revised expenditure of £87.260m (£99.553m as at Month 8). Actual expenditure at Quarter 3 was £53.478m (61.23% 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 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.
- 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-21-24

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

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21 Appendices

Annex 1 Revenue Budget Monitoring Report 2024/25 Quarter 3 - December 2024

Appendix 1 Directorate Summary Financial Position

Annex 2 Capital Investment Programme Report 2024/25 Quarter 3 - December 2024

Annex 3 Equality Impact Assessment- Financial Monitoring 24-25 (Qtr 3)

REVENUE BUDGET MONITORING REPORT 2024/25**Quarter 3 - December 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 3.
- 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 Month 9 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 At the 19 December Monetary Policy Committee (MPC) meeting, the Bank of England voted to hold the Base rate at 4.75% following the decision to reduce the Bank Rate by 0.25% at the November meeting the second rate cut during 2024. The latest economic commentary had ruled out consecutive base rate cuts in December, with the markets factoring in that the base rate will remain stable at the 4.75%. The latest inflation report shows prices rose by 2.5% in December 24. Many analysts expected a slight increase in inflation in December given the surge in energy prices in the autumn however, overall, the headline figure was still only slightly higher than the Bank of England 2% target. Whilst this brings a slight relief to households and business within the borough, that have been struggling with higher mortgage costs and debt repayments, future interest rate cuts in the short term remain uncertain. Many commentators are now indicating that the pace of previously anticipated cuts will ease and a more gradual approach to reducing the Bank Rate will be taken by the Bank of England. Markets are now expecting that the base rate is more likely to be 3.50% at the end of 2025 as opposed to the previous forecast of 3%,
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therefore indicating any changes will be slower and more measured. Moreover, 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. The pressures are unlikely to reduce, and the impact is such that these will continue to impact on budget setting for 2025/26 and beyond.

3 Current Position

- 3.1 The current net revenue budget of £302.677m remains unchanged from that reported at Month 8.
- 3.2 Following the Month 8 report, the details within this revenue monitoring report outline the general direction of travel for the financial year and highlight any significant areas of concern which may not just impact on the current year, but also when preparing future budgets. An overspend position based on the Quarter 3 profiled budget is £10.634m which if not addressed is projected to lead to a year-end deficit of £14.178m. This is a favourable movement of £6.212m from that reported at Month 8 which was a forecast adverse variance for the year of £20.390m.
- 3.3 The forecast position at Quarter 3 is detailed in the table below. Whilst Management actions continue to have a positive impact on the projected position, the demand for services continues to have an impact on the projected position. Officers are continuing to seek out and implement further actions wherever possible to reduce this gap however there still remains a significant projected budget overspend which has had an impact on the size of the budget gap detailed within the Medium-Term Financial Strategy for 2025/26 and the level of Earmarked Reserves.

Table 1 – Summary of Quarter 3 Profiled Budget Position

Directorate	Profiled Budget at Qtr 3 £000	Profiled Forecast at Qtr 3 £000	Profiled Variance at Qtr 3 £000	Outturn based on Qtr 3 Variance £000
Community Health and Adult Social Care	57,610	64,585	6,975	9,300
Children's Services	55,578	64,500	8,923	11,897
Public Health	17,702	17,643	(59)	(78)
Place and Economic Growth	51,726	57,247	5,521	7,361
Corporate Services	25,748	23,470	(2,278)	(3,038)
NET DIRECTORATE EXPENDITURE	208,364	227,444	19,081	25,441
Capital, Treasury and Technical Accounting	18,643	10,795	(7,848)	(10,464)
NET COUNCIL EXPENDITURE	227,007	238,240	11,233	14,977
Financed by Locally Generated Income and Government Grants	(227,007)	(227,606)	(599)	(799)
NET VARIANCE	0	10,634	10,634	14,178

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

Significant revenue variances by Directorate

- 3.4 There are significant variances contained within the projected net overspend position.
- 3.5 As included within previous reports, there are currently three areas which are forecasting significant pressures;
- Adult Social Care is reporting a pressure of £6.975m at Quarter 3 with an estimated adverse year end position of £9.300m (£8.052m at Month 8).
 - Children's Services is reporting a pressure of £8.923m and is forecast to be overspent by £11.897m at the year-end (£12.788m at Month 8), this continues to be the most significant contributing factor to the Council's adverse variance.
 - Within Place and Economic Growth, Strategic Housing and in particular Temporary Accommodation is reporting a pressure of £4.368m for Quarter 3 and an outturn forecast of £5.823m (£5.952m at Month 8).

Adult Social Care adverse variance at Quarter 3 of £6.975m, estimated Year End adverse position of £9.300m (£8.052m at Month 8)

- 3.6 The Community Health and Adult Social Care service continues to report significant pressures forecast to be £4.770m (£6.205m at Month 8). The reduction in forecast for this service area is mainly due to a number of supported living packages being reclassified from Home Care and allocated to the Learning Disability and Mental Health service areas. There is therefore a corresponding increase in these service areas which are detailed below. Other smaller movements around residential & nursing placements along with direct payments are being offset by increased income generation due to backdated recoveries.
- 3.7 The Mental Health service is reporting an adverse position of £1.860m (£0.462m at Month 8). This is a £1.397m adverse movement in the forecast position between the two reporting periods. The cost of care packages for those individuals with mental health as a primary support reason has increased due to a number of cases previously reported within Home Care. Alongside this change, there has been an increase in short stay packages and costs incurred for nursing placements.
- 3.8 The Learning Disability service is reporting an overspend position of £2.812m (£1.630m at Month 8) which is an increase to the adverse variance of £1.182m. As detailed above, a reclassification of packages from Home Care has resulted in an increase of placements within the service area. There has been an increase in package costs for some residential placements and additional packages of care for direct payments, additional residential placements made and a reduction in the amount of contribution income being received.

Children's Services adverse variance at Quarter 3 of £8.923m, estimated Year End adverse position of £11.897m (£12.788m at Month 8)

- 3.9 As highlighted within previous budget monitoring reports, Children's Services demand and cost pressures have continued from previous financial years into this year. Increases in the number of Children Looked After having resulted in increased pressures for differing placements particularly residential, where costs for this provision are significant. Alongside
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Children Looked After placement costs, the continued reliance on agency staff and an increase in demand for Special Educational Needs and Disabilities (SEND) provision is having an impact on the services' financial position.

- 3.10 The pressures relating to Children Looked After (CLA), has increased significantly in the last few years. As previously reported in June 2023 there was 550 which has steadily increased to 614 by the end of June 2024. The current number of CLA has reduced and is 602 as at December 2024. Overall, children in residential placements and Children's Social Care, has had an adverse forecast of £11.629m a reduction of £0.653m from the £12.282m reported at Month 8. There main reason for the reduction has been a net reduction in placements between reporting periods alongside vacancies across the service. This however is being offset by additional agency costs.
- 3.11 The Education Skills and Early Years service is projecting a year end adverse variance of £0.369m (£0.660m at Month 8). The largest contributing pressure within this service remains Home to School Transport at £0.614m (previously £0.659m) due to the continued increase in Education Health Care Plans (EHCP's) issued and the ongoing increase in SEND demand. However, a reduction in route costs has reduced this projection between reporting periods. Within this service, additional income for the Music Service and School Support is offsetting this pressure alongside an increase in the amount of school fine income due to the national increase per fine.

Public Health favourable variance of £0.059m as at Quarter 3, estimated favourable variance at year end of £0.078m (£0.084m at Month 8)

- 3.12 Public Health is projecting a favourable position by the financial year end of £0.078m. This position is due to lower than budgeted costs for GP Health Checks and staff vacancies across Leisure Services.

Place and Economic Growth adverse variance at Quarter 3 of £5.521m, estimated Year End position at an adverse variance of £7.361m (£8.013m at Month 8)

Communities

- 3.13 The Communities service area is projecting an adverse position of £5.394m (£5.600m at Month 8) of which Strategic Housing and in particular Temporary Accommodation (TA) are the main driver for this overspend at £5.823m (£5.952m at Month 8). The forecasted year end pressure reported for this service area has reduced by £0.129m between reporting periods due to a further work with certain TA providers which has resulted in a reduction in the average unit cost that has been factored into the forecasts.
- 3.14 The number of individuals and families in Temporary Accommodation during 2024/25 has continued to follow the recent trajectory. The numbers in temporary accommodation as previously reported at month 3 was 652, the current number in temporary accommodation is 727. The adverse position reported is as a direct result of the placement cost in hotels, B&B's and other temporary accommodation to house the increased demand.
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- 3.15 The Housing Recovery programme is continuing to investigate more cost-effective delivery models of temporary accommodation through leasing, commissioning, and working in partnership with external partners to better meet our resident's needs. The Council is also reviewing its income maximisation opportunities and 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.

Economy

- 3.16 The Economy Directorate is reporting a £0.448m projected adverse variance by the financial year end previously £0.721m at Month 8. The main reasons for the reduction in adverse variance between periods are due to a review of utility forecasts completed by the Facilities Management service alongside the generation of additional income. However, the Estates service area is still reporting a significant adverse position of £1.393m, (£1.496m at Month 8), mainly due to unachieved budget reductions, pressures within repairs and maintenance budget and the impact of delays in the disposal of assets. Projections for Estates at Quarter 3 indicate that there will be an adverse variance by the end of the financial year. However, mitigations to reduce the projected overspend continue to be developed and implemented and are expected to continue to reduce the adverse position by year as the financial year continues.

Environment

- 3.17 The Environment service is forecast to be in an adverse position of £1.533m (£1.704m at Month 8) by year end. The main reasons for the reduction in the adverse position at month 9 of £0.171 is additional income received in the Environment Management, reduction in the overspend on in Highways as a result of only essential work being completed, and a reduction in the Waste Management service with increased vacant management on staff costs and a slight increase in additional income. Overall, within the service the adverse variance continues to be due to agency costs, underachievement of income and other related costs.

Corporate Services – favourable variance at Quarter 3 of £2.278m and estimated favourable position at year end of £3.031m (£2.749m at Month 8)

- 3.18 Corporate Services is projecting a favourable variance at Quarter 3 which has increased by £0.289m from that reported previously. This main reason for change in forecast position is due to vacant posts not being recruited to as part of the ongoing Management actions introduced to reduce in year budget position.

Capital, Treasury and Technical Accounting – favourable variance at Quarter 3 of £7.848m and estimated favourable position at year end of £10.464m (£4.832m at Month 8)

- 3.19 The Capital, Treasury and Technical Accounting directorate 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 £10.464m at Quarter 3.
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- 3.20 A revised Minimum Revenue Provision (MRP) Policy was presented and subsequently agreed at the Council meeting of 20 January 2024. After this revised policy has been reflected within the accounts, a favourable movement of £5.267m has been generated.
- 3.21 As previously reported, there is a favourable variance of £0.799m for Council financing resulting from a review of Grants in lieu of Business Rates against the budgeted provision. This favourable variance is offsetting the reported pressures detailed within this report to result in an overall adverse variance of £14.178m.
- 3.22 A detailed revenue table is attached at Appendix 1.

4 Mitigation of Current forecast Budget Position

- 4.1 The Local Government Act 1988 specifies that a Local Authority must set and maintain a balanced budget. Failure to do so results in the Council's Section 151 officer having to issue a Section 114 notice to indicate that a Council's forecast income is insufficient to meet its forecast expenditure for that year.
- 4.2 As detailed in previous reports, in response to the phased overspend and projected outturn position, a series of management actions were implemented to identify options for reducing the projected overspend. The Council's Senior Leadership has been working within their service areas to reduce the in-year pressure through the introduction of a recruitment freeze, and through additional controls on discretionary expenditure. Alongside this, services have been reviewing their ways of working, structures and costs to reduce spend based on a thematic approach:
- Centralising, restructuring and reducing corporate and support services;
 - Reviewing and reducing management and administration;
 - Reviewing service operations and processes;
 - Income maximisation; and
 - Reviewing placements, contracts and commissioned services.

The changes identified to date will drive both in year savings and contribute to reducing the budget gap in future years which can be found within the MTFs update at Section 7 of this report.

- 4.3 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 remainder of this financial year.

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 which has been updated to reflect the position at Month 9. 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. The Red savings are
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included in the adverse forecast revenue Month 9 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. In addition, savings rated as Red are also 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.

- 5.2 In terms of savings, £17.561m of the £20.408m approved budget reduction targets are either delivered or on track to be delivered (Green & Amber), representing 86% of the total savings target with a further 14% or £2.847m 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	(6,750)	(700)	0	(7,450)
Children's Services	(1,961)	(123)	(2,137)	(4,221)
Public Health	(175)	0	0	(175)
Economy	(1,883)	(100)	(610)	(2,593)
Environment	(1,974)	0	(100)	(2,074)
Communities	(234)	0	0	(234)
Corporate	(3,661)	0	0	(3,661)
TOTAL	(16,638)	(923)	(2,847)	(20,408)

Significant Budget reduction variances by Directorate

- 5.3 As can be seen in the table above, £2.137m of Children's Services budget reductions are rated Red which remains unchanged from the last reported position. These budget reductions are in relation to certain proposals that were aimed at reducing high-cost placements and a proposal for Home to School Transport.
- 5.4 At Month 9, the Place & Economic Growth Directorate budget reductions rated Red are reported at £0.710m which has not changed between reporting periods. As previously reported, these budget reductions are with regard to the disposal of assets and the capitalisation of staff costs for highways and regeneration.
- 5.5 Mitigations for the Red budget reductions continue to be explored with updates to be provided within future reports.
- 5.6 There has been a £0.175m increase in those budget reductions now rated as Green within the Adult Social Care Directorate, £0.100m in Place & Economy Growth and a slight movement of £0.087m in Children's Services between reporting periods. It is expected that as the year unfolds, those budget reductions currently rated as Amber across the council will continue to move to Green. Delivery Board will continue its work on the unachieved budget reductions to mitigate the impact on 2024/25 and future years.

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 28% are forecast to be spent in 2024/25.

Table 3 – Summary on Reserves Position

Directorate	Opening Balance £000	Use of Reserves £000	Contribution to Reserves £000	Anticipated Year End Position £000
Adult Social Care	(3,766)	2,366	-	(1,400)
Children's Services	(814)	-	-	(814)
Public Health	(1,114)	242	(385)	(1,257)
Place & Economic Growth	(3,057)	610	(50)	(2,497)
Corporate	(4,530)	487	-	(4,044)
Capital, Treasury and Technical Accounting	(19,712)	597	(2,115)	(21,230)
Balancing Budget 2024/25	(10,753)	10,753	-	-
Health & Social Care Integration Pooled Fund	(5,900)	1,491	-	(4,409)
Total Earmarked Reserves	(49,646)	16,546	(2,550)	(35,650)
Revenue Grant Reserves	(7,799)	2,209	(350)	(5,941)
Total Reserves	(57,446)	18,755	(2,900)	(41,591)

- 6.2 The above position has changed by £0.046m between reporting periods due to an increased forecast use of the Adverse Weather reserve resultant of the recent weather conditions. The current forecast is a 2024/25 year-end balance for Earmarked Reserves at £35.560m and £5.941m of Revenue Grant Reserves.

- 6.3 There are significant management actions being implemented to address the projected in year deficit which should continue to help reduce the overall gap by the year end, however to the extent that mitigations do not cover the deficit, there would need to be a further call on reserves. Any additional call on reserves to offset any unmitigated forecast deficit in year will adversely impact the financial resilience of the Council.

7 Summary

- 7.1 The current projected position at Quarter 3 has reduced in adverse variance since the last reporting period by £6.212m however the forecast is still potentially significant overspend position by the end of the financial year. The application of the recently approved revision to the MRP Policy is the largest contributing factor to the movement in the council's forecast position. Alongside this, the reduction in the number of Children Looked After and resulting residential placement costs is the largest other factor affecting the change between periods, along with vacant posts held by the council. These reductions are mitigating the increase in adverse movement in forecast for the Adult Social Care service. The implementation of management actions particularly around staffing and

essential spend have been key in keeping the projected outturn position lower than the position first reported at Quarter 1, however the impacts of demand on certain Council services is evident. These are not just local issues and follows the trend within GM and nationally. The projected position is still of great concern for the Council and work must continue to reduce this further by the end of the financial year. Due to the significant overspend in 2023/24 coupled with the revised budget gap for the 2025/26 financial year, the Council's ability to mitigate the in-year position through short term use of reserves is reduced.

- 7.2 Whilst 86% 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 14% of savings is still of concern and the non-achievement of savings has an impact on the current year and implications on future years budgets. Work is still ongoing in the services areas to develop mitigations and there is time for the reductions to be delivered and/ or mitigations to be put in place. These currently rated as red will continue to be closely monitored through the monthly Delivery Board meetings to ensure any financial impact is minimised.
- 7.3 Any use of reserves impacts on the financial resilience of the Council, and detailed within this report is the proposed net use of £13.996m of Earmarked Reserves and £1.859m of Revenue Grant Reserves. It is crucial that the use of reserves is kept to an absolute minimum.
- 7.4 In view of the adverse variance reported it is important that mitigations are continued to be found and implemented to address the in-year position but also to reduce the impacts in 2025/26. A further update on the financial position will be reported at Month 10.
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APPENDIX 1 - Directorate Summary Financial Positions

DIRECTORATE	SERVICE AREA	2024 Qtr 3 Profiled Budget £000	Qtr 3 Profiled Forecast £000	Qtr 3 Profiled Variance £000	Annual Forecast Variance £000
Adult Social Care	Commissioning	12,343	12,497	154	206
	Community Business Services	993	831	(163)	(217)
	Clusters	2,339	2,277	(63)	(84)
	Community Health & Social Care	20,786	24,363	3,577	4,770
	Director Adult Social Care	1,234	1,248	14	19
	Learning Disability	11,627	13,736	2,109	2,812
	Mental Health	7,512	8,907	1,395	1,860
	Safeguarding	774	726	(49)	(65)
Adult Social Care Total		57,610	64,585	6,975	9,300
Children's Services	Children in Care	31,215	39,607	8,391	11,189
	Childrens Safeguarding	2,281	2,112	(169)	(226)
	Fieldwork & Family Support	8,931	9,943	1,012	1,349
	Children's Services Intergration	2,657	2,145	(512)	(683)
	Central Education Services	590	629	39	52
	Community / Adult Learning	225	225	(1)	(1)
	Inclusion Service	(63)	(237)	(174)	(232)
	Learning Services	240	240	1	1
	Learning Services - Early Years	858	858	(0)	(0)
	Post 16 Service	31	32	0	1
	School Support Services	38	(11)	(49)	(66)
	SEND Services	5,637	6,098	461	614
	Skills and Employment	238	238	(0)	(0)
	Early Help	2,692	2,616	(76)	(101)
	Troubled Families	7	7	(0)	(0)
	Schools	0	0	0	0
Children's Services Total		55,578	64,500	8,923	11,897
Public Health	Public Health (Client and Delivery)	14,771	14,740	(31)	(41)
	Leisure Services	2,931	2,903	(28)	(37)
Public Health Total		17,702	17,643	(59)	(78)
Place & Economic Growth	Business Growth	161	142	(19)	(25)
	Creating a Better Place	(154)	(154)	0	0
	Estates	(204)	841	1,045	1,393
	Facilities Management	(225)	(576)	(351)	(468)
	Planning	252	200	(52)	(69)
	Property Management	(1,642)	(1,751)	(109)	(145)
	Strategic Housing	251	158	(92)	(123)
	Town Centre and Markets	952	866	(86)	(115)
	Building Control	36	245	209	279
	Environmental Management	5,792	6,134	342	456
	Fleet Management	(223)	(223)	(0)	(0)
	Highways	3,155	3,227	72	96
	Public Protection	976	1,421	445	593
	Strategic Transport	12,953	12,953	0	0
	Street Lighting	3,213	3,179	(34)	(45)
	Waste Disposal Authority	13,417	13,417	0	0
	Waste Management Service	3,448	3,563	115	153
	Heritage, Libraries and Arts	4,679	4,669	(10)	(13)
	Community Safety	371	334	(37)	(50)
	District Partnerships	1,197	927	(270)	(360)
	Strategic Housing	2,583	6,950	4,368	5,823
Stronger Communities	148	94	(54)	(72)	
Youth Services Client	592	632	40	53	
Place & Economic Growth Total		51,726	57,247	5,521	7,361

DIRECTORATE	SERVICE AREA	2024 Mth 8 Profiled Budget £000	Month 8 Profiled Forecast £000	M8 Profiled Variance £000	Annual Forecast Variance £000
Corporate Services	Partnership Support (Borough and GM)	1,533	1,423	(110)	(147)
	Strategic Customer Service	278	128	(150)	(200)
	Chief Executive Management	1,500	1,498	(3)	(3)
	Communications and Research	680	670	(10)	(13)
	Customer Services	1,630	1,297	(333)	(444)
	ICT	3,653	3,634	(18)	(25)
	Executive Support	424	376	(48)	(64)
	Audit	2,754	2,236	(518)	(691)
	Commissioning and Procurement	442	212	(230)	(307)
	External Funding	44	(41)	(85)	(114)
	Finance	2,071	1,795	(277)	(369)
	Housing Benefit Payments	295	295	0	0
	Revenues and Benefits	3,361	3,463	102	136
	Transformation and Reform	493	12	(481)	(641)
	HR Strategy	2,354	2,057	(297)	(395)
	Organisational Development	499	356	(143)	(191)
	Democratic and Civic Services	1,309	1,381	72	96
	Elections	325	409	84	112
	Legal	1,320	1,636	316	421
	Registrars	26	(68)	(94)	(125)
Strategy and Performance	756	701	(55)	(74)	
Corporate Services Total		25,748	23,470	(2,278)	(3,038)
Capital Treasury and Technical Accounting	Corporate Expenses	12,517	4,570	(7,947)	(10,596)
	Interest and Investment Expenditure and Income	5,103	5,202	99	132
	Corporate and Democratic Core	753	753	0	0
	Parish Precepts	270	270	0	0
Capital Treasury and Technical Accounting Total		18,643	10,795	(7,848)	(10,464)
Financing	Grants in Lieu of Business Rates	0	0	(599)	(799)
Grand Total		227,007	238,240	10,634	14,178

CAPITAL INVESTMENT PROGRAMME

2024/25 MONITORING REPORT

Month 9 –December 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 position at the end of Month 9 (December 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 approved 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)

The estimated additional costs (annualised) associated the prudential borrowing are outlined below:

Estimated annual additional revenue costs associated with prudential Borrowing (cumulative)	2,234	4,816	6,209	7,784	7,884
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3. 2024/25 – 2028/29 Capital Programme

3.1 Following the approval of the Month 8 capital programme, a full review of the programme whilst preparing the 2025/26 – 2029 Capital Strategy has been considered in line with the Budget Setting timetable.

3.2 This together with new funding and contributions and realignments/rephasing approvals have taken place all of which are included within the Capital Strategy Report which is being presented to this same meeting.

3.2 Following the approved changes since M08 and assuming grant offers are approved, and rephasing resulting from updating the 5 Year Capital Strategy the revised Capital Programme 2024/5 as at M09 is a net reduction of £12.293m.

3.3 Details of these movements are included within the Capital Strategy report and supporting documents being presented to this same meeting.

3.5 2024/25 Capital Programme

The table below shows the movements in the 2024/25 Capital programme since the Capital Strategy was set and all approved virements to date, together with those proposed since the last reporting period.

Table 2 – 2024/25 Capital Programme

Directorate	Capital Strategy 2024-29	Approved Virements to M08	Approved Virements M09	Proposed Virements M09	Revised Budget M09	Spend to M09
Budget	£000	£000	£000	£000	£000	£000
Community Health and Adult Social Care	4,443	(1,435)	15	(123)	2,900	1,894
Children's Services	4,724	4,925	-	(2,879)	6,770	1,677
Communities	100	116	-	-	216	40
Heritage Libraries and Arts	-	460	-	-	460	-
Place and Economic Growth		-			-	
- Corporate Property	8,574	(3,689)	-	(691)	4,194	2,586
- Environment	343	1,020	-	275	1,638	970
- Housing	150	378	-	-	528	334
- Regeneration	57,781	(11,545)	-	(1,181)	45,055	36,516
- Transport	16,378	5,364	-	(4,340)	17,402	7,264
Housing Revenue Account (HRA)	628	64	-	(492)	200	-
Corporate/Information Technology (IT)	2,919	3,254	-	(2,875)	3,298	2,197
Capital, Treasury & Technical Accounting	2,600	2,000	-	-	4,600	
Funding for Emerging Priorities	1,043	(1,043)	-	-	-	
Grand Total	99,683	(130)	15	(12,306)	87,260	53,478

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

- 3.6 Given that this is the position as at Month 9 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.
- 3.7 Actual expenditure to 31 December 2024 was £53.478m (61.23% of the proposed forecast outturn). This is higher than spending profile last year's (58.84%) at the same period. As would be expected the majority of this spend is within the Place & Economic directorate which amounts for 89.00% of the total 2024/25 Capital Programme spend to date. The position will be kept under review and budgets will be managed in accordance with forecasts.
- 3.8 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 5 together with the projected financing profile.

2024/25 to 2028/29 Current Capital Programme

Table 3 - 2024/25 - 2029/30 Capital Programme @ M09

Directorate Budget	2024 £000	2025 £000	2026 £000	2027 £000	2028 £000	Total £000
Community Health and Adult Social Care	2,900	4,106	3,000	3,000	-	13,006
Children's Services	6,770	10,482	3,151	2,000	-	22,402
Communities	216	338	-	-	-	553
Heritage Libraries and Arts	460	-	-	-	-	460
Place and Economic Growth						-
- Corporate Property	4,194	3,818	3,287	3,343	2,055	16,696
- Environment	1,638	121	1,116	100	-	2,974
- Housing	528	5,677	-	-	-	6,205
- Regeneration	45,055	57,417	3,692	12,059	-	118,223
- Transport	17,402	13,584	6,903	-	-	37,889
Housing Revenue Account (HRA)	200	3,193	206	210	215	4,024
Corporate/Information Technology (IT)	3,298	3,165	3,123	2,595	1,877	14,058
Capital, Treasury & Technical Accounting	4,600	3,600	2,628	4,373	2,500	17,702
Funding for Emerging Priorities	-	3,000	2,885	2,000	-	7,885
Grand Total	87,260	108,500	29,990	29,680	6,647	262,077

Funding	2024 £000	2025 £000	2026 £000	2027 £000	2028 £000	Total £000
Grant & Other	(32,584)	(60,800)	(9,736)	(9,558)	(780)	(113,458)
Prudential Borrowing	(47,566)	(39,855)	(17,480)	(17,660)	(3,343)	(125,904)
Revenue	(233)	(3,193)	(206)	(210)	(215)	(4,057)
Capital Receipts	(6,878)	(4,653)	(2,567)	(2,252)	(2,309)	(18,659)
Grand Total	(87,260)	(108,500)	(29,990)	(29,680)	(6,647)	(262,077)

Capital Receipts

3.9 The capital programme assumes the availability of £8.185m of capital receipts in 2024/25 for financing purposes. This includes £4.600m 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 £0.477m, the first call being against the £4.600m outlined above in respect of use of Flexible Receipts.

3.10 The capital receipts position as at 31 December 2024 is as follows:

Table 4– Capital Receipts 2024/25

	£000	£000
Capital Receipts Financing Requirement		6,878
Usable Capital Receipt b/fwd.	-	
Actual capital receipts received to date	(629)	
Identified in year capital receipts remaining	(4,725)	
Further Required in 2024/25		1,524
(subject to rounding – tolerance +/- £1k)		

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

- 3.11 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 higher 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.
- 3.12 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 8 – Capital Receipts 2024/25 to 2028/29

Capital Receipts	2024/2	2025/2	2026/2	2027/2	2028/2	2029/3
	5	6	7	8	9	0
	£000	£000	£000	£000	£000	£000
Capital Receipts Carried Forward	-	1,524	(2,713)	(1,587)	(1,911)	398
Identified Capital Receipts	(4,725)	(8,890)	(1,440)	(2,577)	-	-
Received in year	(629)					
Total Receipts	(5,354)	(7,366)	(4,153)	(4,164)	(1,911)	398
Capital Receipts Financing Requirement	6,878	4,653	2,567	2,252	2,309	2,000
Over/(Under) programming	1,524	(2,713)	(1,587)	(1,911)	398	2,398

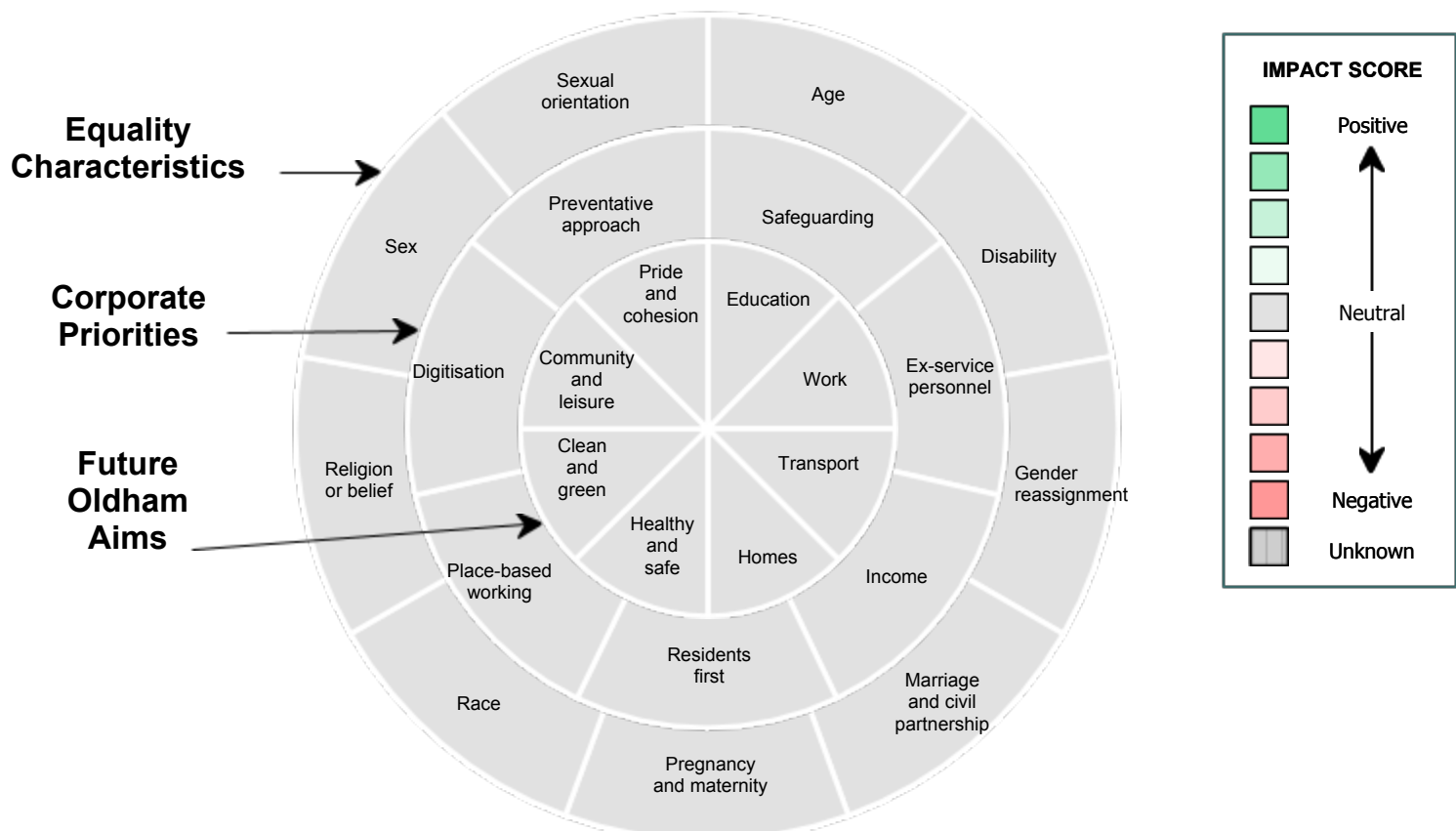
(subject to rounding – tolerance +/- £1k)

- 3.13 Although the capital receipts forecast is currently lower than the required amount, given that this is the month 9 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.

4 Conclusion

- 4.1 A detailed review of the capital programme (the Annual Review) has been undertaken and realigned and reprofiled across the programme. In addition, further reviews have taken place as part of the overall Capital Strategy and Annual Budget Setting process, and we will continue to reflect developments relating to individual projects/schemes, across all years and re-profile accordingly.
- 4.2 This update reflects the Capital Strategy review for the period 2025/26 to 2029/30 which is being reported to the same meeting.
- 4.2 The capital programme is being continually monitored and is reported to Members on a regular basis.

Annex 3 - EIA: Financial Monitoring 24/25 (Qtr 3)



Annex 3- EIA: Financial Monitoring 24/25 (Qtr 3)				
	Impact	Likelihood	Duration	Comment
Equality Characteristics				
Age	Neutral	Possible	Short Term	The report considers the 2024/25 financial position of the Council at Month 9 (31 December 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 Month 9 (31 December 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 Month 9 (31 December 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