

Report to Cabinet

Revenue Monitor and Capital Investment Programme 2025/26 Quarter 1 – June 2025

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services and Sustainability

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Reason for Decision

The report provides Cabinet with an update as at 30 June 2025 (Quarter 1) of the Council's 2025/26 forecast revenue budget position, the financial forecast of the Dedicated Schools Grant and the Housing Revenue Account (at Annex 1) alongside the financial position of the capital programme together with the revised capital programme 2025/26 to 2029/30 (at Annex 2).

Executive Summary

Revenue Position

The forecast overspend position for 2025/26 at the end of Quarter 1 is estimated to be £20.822m without any mitigation to bring expenditure down.

As this financial monitoring report reflects the financial position at the end of 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.

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.

The management actions initiated in 2024/25 across all service areas have continued into 2025/26 with further mitigations to reduce the in-year pressure identified. Details are included in Annex 1 of this report. These mitigations have been or are in the process of being implemented and it is anticipated that by the financial year end, the current outturn deficit position should reduce.

Information on the forecast year end position of the Dedicated Schools Grant (DSG), and Housing Revenue Account (HRA) is also outlined in the report.

Capital Position

The report outlines the most up to date capital spending position for 2025/26 to 2029/30 for approved schemes. The revised Capital Programme budget for 2025/26 is £116.579m at the close of Quarter 1. Actual expenditure to 30 June 2025 was £10.553m (9.05% of the forecast outturn).

Recommendations

That Cabinet:

1. Notes the contents of the report.
2. Notes the forecast revenue position at the end of Quarter 1 at £20.822m with mitigations in place to reduce expenditure as detailed at Annex 1.
3. Notes the forecast positions for the Dedicated Schools Grant and Housing Revenue Account.
4. Approves the revised Capital Programme for 2025/26 including the proposed virements and the forecast for the financial years to 2029/30 as at the end of Quarter 1 as outlined in Annex 2.

Revenue Monitor and Capital Investment Programme 2025/26 Quarter 1 – June 2025**1 Background**

- 1.1 The Authority's 2025/26 revenue budget was approved by Council on 6 March 2025 at a sum of £322.928m to be met by Government grants, Council Tax and Business Rates. This report sets out the updated revenue financial position at the end of 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 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 budget is £20.822m which must be addressed urgently. Close financial management and management actions continue to be required in 2025/26 to address this position to ensure that there is minimal impact on setting the budget for 2026/27 and the limited general revenue reserves available.
- 2.2 The main areas of concern identified in the Quarter 1 monitoring report are:
- Adult Social Care with a forecast overspend of £10.165m,
 - Children's Services with an estimated overspend of £5.011m; and
 - Place with a forecast adverse position of £5.789m.
- 2.3 The projected net adverse variance is of concern and as a result, further management mitigations have been actioned. The mitigations implemented are detailed in Annex 1 and are essential to support the financial resilience of the Council.
- 2.4 Every effort must be made to reduce the forecast variance by the year end to mitigate any potential impact on the 2026/27 budget, together with the projected budget gap for the following year.
- 2.5 The in year deficit forecast position for the Dedicated Schools Grant at the end of Quarter 1 is £8.634m. This would reduce to an overall deficit by the close of the financial year of £7.452m after the application of the DSG surplus at £1.182m held within usable reserves. Details of this position are included within the report.
- 2.6 The Housing Revenue Account forecast shows a projected drawdown from the HRA reserve at the financial year end of £0.804m, with further details included in Annex 1.
- 2.7 The original Capital Programme for 2025/26 totalled £108.501m. 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 £116.579m. Actual expenditure at

Quarter 1 was £10.553m (9.05% of the forecast outturn). Further details of expenditure and schemes within the capital programme can be found in Annex 2.

- 2.8 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-07-25

20 Background Papers

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

File Ref: Revenue Background Papers are contained in Annex 1 including, Appendices 1

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

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21 Appendices

Annex 1 Revenue Budget Monitoring Report 2025/26 Quarter 1 - June 2025

Appendix 1 2025/26 Directorate Summary Financial Positions at 30 June 2025

Annex 2 Capital Investment Programme Report 2025/26 Quarter 1 - June 2025

Appendix A SUMMARY – Month 3 - Community Health & Adult Social Care

Appendix B SUMMARY – Month 3 - Children's Services

Appendix C SUMMARY – Month 3 - Communities

Appendix D SUMMARY – Month 3 – Heritage, Libraries & Arts

Appendix E SUMMARY – Month 3 - Place

Appendix F SUMMARY – Month 3 – Housing Revenue Account (HRA)

Appendix G SUMMARY – Month 3 – Corporate / Information Technology

Appendix H SUMMARY – Month 3 – Capital, Treasury and Technical Accounting

Appendix I SUMMARY – Month 3 – Funding for Emerging Priorities

Appendix J SUMMARY – Month 3 – Proposed changes

Annex 3 Equality Impact Assessment- Financial Monitoring 25-26 (Q01)

REVENUE BUDGET MONITORING REPORT 2025/26

Quarter 1 – June 2025

1 Background

- 1.1 The Authority's 2025/26 revenue budget was approved by Council on 6 March 2025 at a sum of £322.928m to be met by Government grants, Council Tax and Business Rates. This report sets out the updated revenue financial position at the end of 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 services forecasts include all known commitments, issues, and any planned management actions required.

2 Outlook and Budget Context

- 2.1 The challenging economic and fiscal conditions experienced nationally and locally over the last few years continued to have an impact when setting the 2025/26 revenue budget. 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 since 2020 which has placed significant strain on the Council's budgetary position. In addressing these pressures, the Council approved savings of £26m to help balance the need to provide services and to set a balanced budget. 2025/26 was the first revenue budget for some time that did not rely upon the application of a budgeted use of general revenue reserves to balance the position, protecting the Council's financial resilience.
 - 2.2 In July 2024 a general election was held with a Labour Government being appointed. Since this election, discussions between central government and local government have taken place regarding how the sector is funded against a backdrop of the increasing and continued reliance on the services Councils provide. It was acknowledged that reform of the funding formula was required but due to the time needed to consult with all parties, the Government would not be able to implement fundamental changes in time for Councils to set their 2025/26 budgets. As such a one-year finance settlement was announced in December 2024. This Settlement did award a Recovery Grant of £8m which was allocated based on a high needs and low tax base model and the Council benefitted from this change in allocating central government resources.
 - 2.3 In June 2025 the Government released the Fair Funding Review 2.0 Consultation looking at a revision to how Councils are funded from 2026/27 onwards. This consultation ran until the 15 August 2025 and the Council submitted a response.
 - 2.4 At the 7 August Monetary Policy Committee (MPC) meeting, the Bank of England voted to cut the Base rate by 0.25% from 4.25% to 4.0%. The Bank of England has continued its policy of cutting the base rate first commenced in August 2024. This latest cut comes 12
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months after the MPC lowered the base rate from 5.25% to 5.0%. Since August 2024, the MPC has cut the base rate by 0.25% every three months which leaves the current rate at 4.0%. Even though inflation rose to 3.6% in June 2025, the MPC decided to cut the rate with the aim to help boost the economy and encourage growth. Many commentators and market analysis expect further cuts later in the financial year however, the MPC will need to strike a careful balance between supporting growth and controlling inflation and if inflation remains high in September 2025 any future cuts to the base rate may need to wait until inflation get closer to the target of 2%. Whilst inflation is still significantly lower than previous highs and does bring 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. Given the latest inflation data and as previously mentioned, many commentators are now indicating that the pace of previously anticipated cuts will ease and a more gradual approach to reducing the Bank Rate could be taken by the Bank of England. Markets are now expecting that the base rate is more likely to be 3.75% at the end of 2025 as opposed to the previous forecast of 3.5%, 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 affect budget setting for future years.

3 Current Position

- 3.1 The current net controllable revenue budget of £322.928m remains unchanged from that which was agreed at Budget Council in March 2025.
 - 3.2 The details within this revenue monitoring report for the first quarter outlines the general direction of travel for this financial year and highlights any significant areas of concern which may not just impact on the current year, but also when preparing future budgets. A forecast overspend position based on the Quarter 1 revenue controllable budget is £20.822m. As in previous years, it is critical that the Council delivers a balanced budget to avoid any unnecessary drawdown from its limited reserves. A projected outturn overspend at this level demonstrates that close financial management is needed during 2025/26 considering the already significant budget gap in the Medium Term Financial Strategy for 2026/27 and 2027/28 and the limited Earmarked Reserves.
 - 3.3 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.
 - 3.4 Management actions implemented during 2024/25 such as a recruitment freeze and controls on discretionary expenditure have been continued into 2025/26, and the impacts of these actions are included within this revenue forecast position.
 - 3.5 The effectiveness of management actions will continue to be closely monitored by Management Teams throughout the financial year. As the forecast adverse position at the end of Quarter 1 is significant, further management actions will be explored with the Senior Leadership Team to mitigate the pressures being reported. Any further management
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actions implemented will be reported to Members through the regular financial monitoring reports submitted to Cabinet during the remainder of this financial year.

- 3.6 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.
- 3.7 The forecast revenue position at the end of Quarter 1 is detailed in the table below. Increased demand for Council services continues to have an impact on the projected position despite the continuation of previously implemented management actions. Officers are continuing to seek out and implement further actions wherever possible to reduce this gap with service mitigations detailed within this report. These mitigations will be monitored regularly with an expectation that this work will reduce the overall revenue overspend position for this financial year. Non-delivery of these mitigations would have an impact on the budget gap for the 2026/27 financial year and the level of general revenue Earmarked Reserves and therefore the overall financial resilience of the Council and should be avoided.

Table 1 – Summary of Quarter 1 Forecast Revenue Budget Position

Directorate	Annual Budget £000	Annual Forecast £000	Annual Variance reported at Quarter 1 £000
Adult Social Care	82,634	92,800	10,165
Children's Services	85,807	90,818	5,011
Public Health	23,515	23,288	(227)
Place	72,972	78,761	5,789
Corporate Services	31,965	32,263	84
Capital, Treasury and Technical Accounting	26,034	26,034	-
NET EXPENDITURE	322,928	343,965	20,822
Financed By:			
Locally Generated Income	(181,158)	(181,158)	-
Government Grants	(142,800)	(142,800)	-
Collection Fund Deficit	1,030	1,030	-
TOTAL FINANCING	(322,928)	(322,928)	-
OVERALL PROJECTED VARIANCE			20,822

Significant revenue variances by Directorate

- 3.8 There are significant variances contained within the projected net overspend position and a breakdown of these across type of variance is shown below.

Table 2 – Summary of Quarter 1 Revenue budget variance analysis

Directorate	Non-Delivery of Savings (Red & Amber) £000	Expenditure Variance £000	Income Variance £000	Annual Variance reported at Quarter 1 £000
Adult Social Care	4,003	5,197	965	10,165
Children's Services	4,214	505	292	5,011
Public Health	-	(191)	(36)	(227)
Place	323	(3,087)	8,553	5,789
Corporate Services	92	110	(118)	84
NET EXPENDITURE	8,632	2,534	9,656	20,822

3.9 As reported over the last two financial years, there are three areas which continue to forecast significant pressures;

- Adult Social Care is reporting a pressure of £10.165m at the end of Quarter 1.
- Children's Services is reporting a pressure of £5.011m at the end of Quarter 1.
- Place is reporting a pressure of £5.789m at the end of Quarter 1.

3.10 Approved at Budget Council in March 2025, significant growth was added to the revenue base budget at £43.185m of which Adult Social Care was allocated £15.264m (35%) and Children's Services was allocated £16.831m (39%). At the same Council meeting budget savings were approved across all Directorates. When these savings are applied, the overall **net increase** was **£6.776m for Adult Social Care** and **£13.170m for Children's Services**.

Adult Social Care adverse variance at the end of Quarter 1 at £10.165m

3.11 As shown at Table 2, the forecast overspend position for this directorate can be broken down as follows:

- Non- Delivery of Budget Reductions (Red and Amber) £4.003m
- Expenditure Variance £5.191m
- Income Variance £0.965m

Further details for the expenditure and income variances are included in the following paragraphs, with details on budget reductions included at Section 4.

3.12 The Community Health and Adult Social Care service is reporting significant pressures forecast to be £4.905m at the end of Quarter 1. These pressures predominantly relate to clients with physical disabilities accessing care at home (£2.1m), short stays following a

hospital stay (£0.7m), costs for supported living placements (£0.9m) and under-recovery of income due to a delay in the completion of financial assessments (£0.9m).

- 3.13 The Learning Disability service is reporting an overspend position of £3.224m at the end of June 2025. The largest contributing areas to this forecast position are Care at Home which is forecasting an overspend position of £1.4m with £1.26m for Supported Living. There are two high-cost placements which are driving an adverse variance against the budget for residential care with other smaller variances across this divisional area.
- 3.14 The Mental Health service is reporting an adverse position of £2.020m at the close of Quarter 1 with costs for Supported Living being the largest contributing factor to this position (£1.67m). There are other smaller variances for nursing, residential and short stay placements which drive the overall position.
- 3.15 While activity levels across the Directorate have remained broadly consistent with the previous year, costs continue to rise. This is driven by:
- Increasing complexity of care packages
 - Constrained availability within the care market
 - A growing number of double-cover care packages, particularly for those supporting hospital discharges
- 3.16 These trends indicate a higher level of acuity among individuals requiring care.

Adult Social Care – Planned Mitigations

- 3.17 There are planned mitigations that are in the process of being developed and / or embedded to reduce the forecast overspend position for this directorate. A summary of these are as follows:
- Client Finance project focusing on clearing backlogs, timely assessments and improved income recovery
 - Optimise Oldham Total Care by utilising its bed base to repatriate clients back to the borough
 - Review of short stay provision to ensure timely assessments are completed for people discharged from hospital and to reduce those in temporary care placements for extended periods of time
 - Further develop the Transitions Hub to prepare young people with disabilities for adulthood
 - Develop an Assistive Technology offer to support care provision and enhance digitalisation
 - Review the provision for Learning Disability & Mental Health placements including future proofing through the capacity and demand work programme
 - Engagement of external provider to clear significant assessment backlog with expected benefits to be realised from Quarter 3.
- 3.18 Work continues to implement planned mitigations and current indications are that these are having a positive impact on the adverse variance with the expected overspend position
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to be reduced to around £9.9m at the end of Month 4. This indicates a positive movement, but the pace of implementation needs to be expedited to ensure this position can be mitigated to a balanced position by the end of the financial year.

Children's Services adverse variance at the end of Quarter 1 at £5.011m

3.19 The forecast overspend position for this directorate area as at 30 June 2025 can be broken down as follows:

- Non- Delivery of Budget Reductions (Red and Amber) £4.214m
- Expenditure Variance £0.505m
- Income Variance £0.292m

Further details for the expenditure and income variances are included in the following paragraphs, with details on budget reductions included later within this report.

3.20 Children's Services are reporting a £5.011m forecast adverse variance at the end of Quarter 1 of which £4.214m is due to the non-delivery of budget reductions, namely the Children's Investment Plan.

3.21 The remaining £0.797m pressure is mainly due to additional costs for Children with Disabilities short breaks and the loss of Continuing Health Care (CHC) income due to the change in cohort and those children who are eligible for this funding.

Children's Services – Planned Mitigations

3.22 There are planned mitigations that are in the process of being developed and / or embedded to reduce the forecast overspend position for this directorate. A summary of these are as follows:

- Continued work on reducing agency staffing engagements
- Placements review for the Children with Disabilities service
- Clearance of backlog of 60+ audits that are awaiting approval without the need to re-review
- Service review of legal fee commitments
- Review of School insurance contract to mitigate emerging issue
- Reviewing operating model for the Music Service

3.23 In this area, current indications are that the implementation of mitigations across the Directorate are having a positive impact on the adverse variance with the expected overspend position to be reduced to around £4.1m at the end of Month 4. This is a positive movement and work should continue to reduce this further as the financial year progresses.

Public Health favourable variance of (£0.227m) as at the end of Quarter 1

3.24 Public Health is projecting a favourable position by the financial year end of £0.227m. This position is due to vacancies held across Public Health and Leisure services.

Place adverse variance as at 30 June 2025 of £5.789m

3.25 The forecast overspend position for this directorate area as at the end of Quarter 1 can be broken down as follows:

- | | |
|--|-----------|
| • Non- Delivery of Budget Reductions (Red and Amber) | £0.323m |
| • Expenditure Variance | (£3.087m) |
| • Income Variance | £8.553m |

Further details for the expenditure and income variances are included in the following paragraphs, with details on budget reductions included later within this report.

Environment

3.26 The Environment service area is forecast to be in an adverse position of £2.207m by the financial year end. Expenditure pressures across the division for staffing costs including agency and additional fleet costs are being forecast in this area. Within Environmental Management unbudgeted costs for the purchase of bins due to a change in legislation have been incurred. There are also several income targets not expected to be achieved across each area particularly security services which are driving this forecast overspend position.

Economy

3.27 The Economy Division is reporting a £3.568m projected adverse variance by the financial year end. The largest driver of this forecast position (£2.186m) is within property management. Decisions adversely affecting the recoupment of income across the economic estate alongside additional running costs for the corporate estate are having the largest impact. The Estates service area is reporting an adverse position of £1.283m pressures within repairs and maintenance budget and the impact of additional costs due to delays in the disposal of assets.

Communities

3.28 The Communities service area includes Strategic Housing which incorporates costs for Temporary Accommodation (TA). This has been an area of concern for the Council, particularly in 2024/25. As part of the budget setting process for 2025/26, growth was allocated to the Directorate of £3.000m to provide additional base funding for these costs. Alongside this additional investment, the service has also worked hard to reduce the numbers utilising this service provision. The resultant impact is a projected overspend position of £0.218m for 2025/26 which is due to increased costs for nightly provision at two paid provisions. Work is ongoing to bring this service area to a break-even position by the end of the financial year end.

Place - Planned Mitigations

3.29 There are planned mitigations that are in the process of being developed and / or embedded to reduce the forecast overspend position for this directorate. A summary of these are as follows:

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- Review in train of fleet replacement timelines and issues with equipment not lasting within the expected timeframe
 - Continued transfer of agency workers from off contract engagements to on contract provider / permanent or fixed term recruitment
 - Reports being progressed around asset transfers to reduce maintenance costs and generate rental income
 - Maximisation of income streams wherever possible including grant income and attracting external income i.e. for events, new trade customers
 - Minimise the gap between an assets useful economic life and its replacement to reduce / remove additional hire costs
 - Review of charging model for security services to maximise income potential

Corporate Services forecast adverse variance at the end of Quarter 1 of £0.084m

3.30 The forecast overspend position for this directorate area as at the end of Quarter 1 can be broken down as follows:

- | | |
|--|-----------|
| • Non- Delivery of Budget Reductions (Red and Amber) | £0.092m |
| • Expenditure Variance | £0.110m |
| • Income Variance | (£0.118m) |

Further details for the expenditure and income variances are included in the following paragraphs, with details on budget reductions included at Section 4.

3.31 The key driver for this forecast overspend position is additional agency costs for services across the Directorate, but within legal services, and constitutional services in particular. There are also pressures within the ICT service due to licence costs. These additional costs are being offset by vacancies across other service areas such as Audit, Transformation and HR services.

Corporate Services – Planned Mitigations

3.32 There are planned mitigations that are in the process of being developed and / or embedded to reduce the forecast overspend position for this directorate. A summary of these are as follows:

- Continued transfer of agency workers from off contract engagements to on contract provider / permanent or fixed term recruitment
 - Review of webcast services for Council meetings once moved to the new Home of Democracy
 - Review of all ICT Licences, software contracts and ways of working for the organisation
 - Accelerate the move to e-billing for all Council Tax and Business Rates invoices with full implementation to be in place by April 2026
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Capital, Treasury and Technical Accounting – no variance at the end of Quarter

3.33 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 no variance as at the 30 June 2025.

3.34 A detailed revenue table is attached at Appendix 1.

4 Progress on the delivery of the 2025/26 Approved Budget Savings

4.1 Table 3 below presents the progress on the delivery of the 2025/26 approved Budget savings which has been updated to reflect the position at the end of Quarter 1. For savings rated as Red and 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. It is imperative that all 2025/26 approved budget savings **must** be delivered given the limited earmarked reserves availability.

4.2 In terms of savings, £17.952m of the £26.584m approved budget reduction targets are either delivered or on track to be delivered (Green) representing 68% of the total savings target. 8% are expected to be achieved (Amber) and a further 24% or £6.615m with a high risk of not being achieved within this financial year (Red). The table below summarises the progress by Directorate:

Table 3 – Summary on progress on delivery of 2025/26 Approved Budget Reductions

2025/26 Impact of Approved Budget Reductions	Green £000	Amber £000	Red £000	Total £000
Adult Social Care	(4,485)	(1,931)	(2,072)	(8,488)
Children's Services	(3,438)	(86)	(137)	(3,661)
Place	(3,790)	0	(323)	(4,113)
Public Health	(465)	0	0	(465)
Corporate	(4,302)	0	(92)	(4,394)
Capital, Treasury & Technical Accounting	(4)	0	0	(4)
TOTAL	(16,484)	(2,017)	(2,624)	(21,125)
Children's Investment Plan	(1,468)	0	(3,991)	(5,459)
TOTAL	(17,952)	(2,017)	(6,615)	(26,584)

Significant Budget reduction variances by Directorate

Adult Social Care

- 4.3 Of the £8.488m of budget savings approved for the Adult Social Care Directorate, £2.072m of them are rated Red and off track. Four budget savings drive this variance as follows:

- Achieving Better Outcomes £0.807m
- Adults, Health & Wellbeing £0.145m
- Focused Transitions Team £0.560m
- Assistive Technology £0.560m

Children's Services

- 4.4 As can be seen in the table above, £4.128m of Children's Services budget reductions are rated Red with 96% relating to the Children's Investment Plan. The non-delivery of the Children's Investment Plan is predominately due to pressures around the reduction of high-cost placements and release of agency staff. The other Red rated saving of £0.137m relates to Social Work Services.

Place

- 4.5 For this Directorate, 8% of the total approved budget reductions for this area are rated Red as follows:
- Environment - Service Review / Income Generation £0.282m
 - Highways Operations - (potholes and gulleys) £0.011m

Corporate Services

- 4.6 There are two approved budget savings for 2025/26 where a proportion are rated as off track. These are:
- Review of Governance function £0.042m
 - Centralisation of Business Intelligence functions £0.050m

Mitigations / Planned Actions for non-delivery of budget reductions

- 4.7 During the last financial year, a Financial Sustainability Delivery Board (FSDB) chaired by the Leader of the Council was established to provide additional scrutiny and challenge to the organisation around the non-delivery of agreed savings. This has been continued into 2025/26.
- 4.8 The organisation has also implemented a new budget delivery template requiring services to identify clear and measurable mitigations for all Red rated budget reductions. These documents are shared with FSDB on a regular basis with Directors required to present achievement of milestones for the required mitigations. Any slip against timelines are
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explored and challenged with a requirement for actions to be brought back on track to ensure the delivery of the saving.

- 4.9 As previously mentioned, all approved budget reductions must be delivered in full by the end of the financial year to ensure there is no further impact on the Council's financial resilience.

5 Mitigation of Current forecast Budget Position

- 5.1 Throughout this report, corporate and service mitigations have been detailed with the aim of reducing the forecast adverse variance from the position reported at the end of Quarter 1.

- 5.2 As the financial year progresses, further management actions may be required as a matter of urgency. For example, further restrictions around recruitment and any discretionary expenditure may be required. Services must continue to review their ways of working, structures and costs to reduce spend as follows:

- 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.

- 5.3 The effectiveness of all management actions and corporate procedures will continue to be closely monitored by Management Teams up until the end of this financial year. Current indications are that the overall adverse variance at the end of Month 4 will be reduced but work needs to continue at pace to embed mitigations and bring forward a balanced position by the end of the financial year. Further updates will also be included within future monitoring reports presented to this meeting.

6 Reserves and Balances

- 6.1 On 1 April 2025, general reserves totalled £33.774m, split between Earmarked Reserves of £31.564m and Revenue Grant Reserves of £2.210m. The General Fund Balance stood at £18.865m.

- 6.2 Reserves and Balances are a key element of the Council's financial resilience and it is important that their use is kept to an absolute minimum.

- 6.3 As detailed within the Council's approved Reserves Policy, the use of general reserves can only be approved by the Chief Executive and the Section 151 Officer with a full and robust business case provided for any request.

- 6.4 During the first quarter of the financial year, four applications for the use of general reserves from the Place and Economic Growth Directorate have been made as follows:
-

- Earmarked Reserves **£0.506m**
 - *Adverse Weather Reserve at £0.252m*
 - *Creating a Better Place Reserve at £0.254m*
- Revenue Grant Reserves **£0.130m**
 - *Local Plan Reserve at £0.080m*
 - *Digital Planning Improvement Fund at £0.050m*

- 6.5 These requests have been considered and have been approved with the forecast use of these reserves to be included within the Month 4 revenue monitoring report which is to be presented to a future meeting. These approvals will reduce the general reserves total to a projected year end balance of £33.138m.
- 6.6 It should be noted by Members, that whilst there are significant management actions being implemented to address the projected in year deficit and the delivery of all budget reductions, to the extent that mitigations do not cover the deficit, there would need to be a further unbudgeted call on reserves. Any additional use of reserves to offset any unmitigated forecast deficit in year will adversely impact the financial resilience of the Council and is not sustainable.

7 Dedicated Schools Grant

- 7.1 The Quarter 1 Dedicated Schools Grant (DSG) position, as reported to the Schools Forum in June 25 is an in-year overspend of £8.634m, which is an adverse movement of £2.677m compared to the previously reported position in March 25. The overall DSG deficit position is therefore, currently forecast to be £7.452m at the year end. The most significant pressure remains within the High Needs Block (HNB), which has deteriorated by £2.403m since last reported to the Forum in March 25.

Table 4 - Dedicated Schools Grant: Quarter 1

	Budget £000	Forecast £000	Variance £000	Movement since March 2025 £000
Schools Block	274,777	276,157	(1,380)	48
Central School Services Block (CSSB)	2,559	2,559	0	0
Early Years Block	39,964	40,286	(322)	(322)
High Needs Block	66,954	73,886	(6,932)	(2,403)
Sub Total	384,254	392,888	(8,634)	(2,677)
Deficit/ Surplus Brought Forward		1,182	1,182	
Cumulative Deficit/ Surplus		394,070	(7,452)	(2,677)

7.2 The main points to note are as follows:

- There was a 2024/25 DSG surplus of £1.182m carried forward into 2025/26, this included £1.380m of Growth Fund underspend within the Schools Block. This is fully committed in 2025/26 and accounts for the forecast overspend within the schools Block in the current financial year.
 - Expenditure within the Central Services Block is currently forecast to budget.
 - There is a projected overspend of £0.322m within the Early Years Block; an increase in funding of £0.123m is offset by an increase in planned expenditure of £0.445m. This offsets the underspend carried forward from 2024/25 recommitted for 2025/26.
 - Had both the above underspends not been recommitted for 2025/26 the final DSG outturn for 2024/25 would have been in a deficit position at the end of 2024/25 by £0.520m.
 - There is an increased pressure of £2.150m within the High Needs Block (HNB) increasing to £2.403m with an anticipated downward adjustment to funding of £0.253m anticipated in July. The largest single contributor is an increase of £1.817m in the cost of Special Schools. In addition, there are increases in pressures relating to Resourced Provision (£0.212m), Post 16 (£0.064m) and Central services within the HNB (£0.057m).
 - The DSG is a ringfenced account and there is currently a statutory override which excludes the deficit from being counted against the Council's reserves position. The government has announced that it will extend this statutory override to keep Councils' spending deficits for Special Educational Needs and disabilities (SEND) off their balance sheets for another two years until the end of 2027/28.
-

8 Housing Revenue Account

Housing Revenue Account Budget & Forecast 2025/26 – Quarter 1

	Original Budget	Revised Budget	Spend as at Q1	Forecast Outturn	Variance From Budget
	£000	£000	£000	£000	£000
<u>Income</u>					
Dwelling Rents	(10,579)	(10,571)	(449)	(10,621)	(50)
Service Charges & Other Income	(1,354)	(1,503)	(71)	(1,491)	12
PFI Credits	(18,799)	(18,798)	-	(18,798)	-
Interest on Balances	(200)	(200)	-	(200)	-
Total Revenue Income	(30,932)	(31,072)	(520)	(31,110)	(38)
<u>Expenditure</u>					
Repairs & Maintenance	52	51	26	152	101
Utilities	788	778	133	878	100
Rents & Rates	117	116	(106)	118	2
RCCO	3,193	1	-	-	(1)
PFI Management Costs inc. MRP	27,405	27,602	5,436	27,576	(26)
Supervision and Management	1,015	1,002	-	1,002	-
Central Overheads	984	892	-	892	-
Other Miscellaneous	787	776	128	841	65
Depreciation	80	307	-	305	(2)
Adjustments to the Loss Allowance	0	136	-	150	14
Total Revenue Expenditure	34,421	31,661	5,617	31,914	253
Total HRA (Surplus)/Deficit	3,489	589	5,097	804	215

Housing Revenue Account (HRA)

- 8.1 The HRA for 2024/25 produced a surplus of £3.34m which was transferred to the HRA Reserve at year end. The main reason for such a significant variance was PFI management costs – these were reported as lower than expected due to a change in the accounting treatment. Effectively, this has resulted in additional monies being transferred to the reserve, and this will be required to pay off associated debt in future years.
- 8.2 The original budget for 2025/26 was prepared in January 2025 and has subsequently been revised to reflect changes where appropriate. The greatest change is a reduction in the Revenue Contribution to Capital Outlay (RCCO) budget, which has reduced by over £3m due to a delay in the expected requirement to contribute towards the refurbishment of Metropolitan House.

8.3 The latest HRA forecast for 2025/26 shows a required drawdown of £0.804m from the HRA reserve, compared to a revised budgeted drawdown of £0.589m. The main areas where the forecasts vary from budget are as follows:

- Income (Rents and Service Charges) – income £0.038m higher than budgeted
- Repairs and Maintenance – based on expenditure in Quarter 1 (mainly heating repairs at Holly Bank)
- Utility Costs – Currently forecast to be £0.100m higher than the budget, although most costs come through in Quarters 3 and 4

HRA Capital Programme

8.4 There was negligible capital expenditure (£1k) during 2024/25, and it is anticipated that this will remain the case during 2025/26. Capital expenditure consists of:

- works to properties outside of the PFI agreements
- works to PFI properties that are outside the scope of the PFI agreement.

HRA Reserves Position

8.5 Reserves at the start of 2025/26 stood at £24.5m, and the forecast balance would see this reduce to £23.6m.

8.6 The level of reserves is required to meet future commitments in the Housing Revenue Account, and to ensure that the PFI schemes can be funded as the corresponding Government credits do not increase to take account of inflationary pressures.

8.7 In addition, a change in the way that interest repayment on the two PFI schemes is accounted for has resulted in £2.273m of the current reserves being specifically earmarked for repayment of interest after the PFI contracts have ended.

HRA Balance	£000
Balance brought forward from 2024/25	(24,447)
Forecast Transfer from Reserve 2025/26	804
Forecast Balance at 31/03/2026	(23,643)

9 Summary

9.1 The current projected position as at the end of Quarter 1, shows a potentially significant overspend position by the end of the financial year. The demand for services in both Adults and Children's Social Care has continued into this financial year. This is a concern for the Council as significant additional funding was included within the 2025/26 revenue base budget in these areas as approved at Budget Council in March 2025. Both these Directorates have substantial mitigation and cost reduction programmes in place which should reduce the adverse position by year end. The Place Directorate is also seeing a significant forecast overspend position, with the largest driver of this forecast position within

Estates and Property Management. As the Estates service takes over the full responsibility for the management and operational running of Spindles and Old town Hall assets (previously an external agent) further mitigations will be developed and implemented which should reduce the forecast adverse position by year end.

- 9.2 The Council has previously faced in-year financial pressures and highlighted these during the first quarter of the financial year with actions being taken to reduce the position by the end of the year, however it is concerning that after the unplanned use of general reserves for 2023/24 and 2024/25 to balance the in-year position, the Council is once again reporting a significant forecast overspend at this stage. This must be addressed as a priority, and the forecast position must be reduced by year end to limit the impact it has on the financial sustainability of the Council.
- 9.3 It is positive that the 2025/26 revenue budget was the first year for some time that a budgeted use of general reserves was not required to balance the revenue budget. Any use of general reserve, either planned or unplanned must be kept to an absolute minimum.
- 9.4 Whilst 78% 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 22% 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. Delivery of all budget reductions must be achieved for 2025/26 to ensure no unbudgeted use of general revenue reserves are required and this will be closely monitored through the monthly Delivery Board meetings.
- 9.5 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 any impacts on the 2026/27 position.
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APPENDIX 1 – 2025/26 Directorate Summary Financial Positions at 30 June 2025

DIRECTORATE	SERVICE AREA	Qtr 1 Annual Budget £000	Qtr 1 Annual Forecast £000	Annual Forecast Variance £000
Adult Social Care	Commissioning	12,976	13,030	64
	Community Business Services	686	654	(38)
	Clusters	2,720	2,700	(24)
	Community Health & Social Care	26,145	29,857	4,455
	Director Adult Social Care	1,352	1,326	(31)
	Learning Disability	15,039	17,726	3,224
	Mental Health	9,229	11,288	2,470
	Safeguarding	714	752	45
Adult Social Care Total		68,862	77,333	10,165
Children's Services	Children in Care	43,447	47,477	4,836
	Childrens Safeguarding	2,943	2,745	(238)
	Fieldwork & Family Support	9,719	10,381	795
	Children's Services Intergration	2,367	2,250	(140)
	Central Education Services	706	706	0
	Community / Adult Learning	251	251	0
	Inclusion Service	(359)	(359)	0
	Learning Services	211	211	0
	Learning Services - Early Years	(11)	(11)	0
	Post 16 Service	37	37	0
	School Support Services	31	31	0
	SEND Services	6,601	6,659	69
	Skills and Employment	67	67	(0)
	Early Help	3,890	3,691	(238)
	Troubled Families	1,607	1,547	(72)
	Schools	0	0	0
Children's Services Total		71,506	75,682	5,011
Public Health	Public Health (Client and Delivery)	16,781	16,622	(191)
	Leisure Services	2,815	2,785	(36)
Public Health Total		19,596	19,407	(227)
Place & Economic Growth	Business Growth	0	0	0
	Creating a Better Place	(211)	(65)	174
	Estates	385	1,454	1,283
	Facilities Management	(291)	(287)	5
	Planning	299	195	(124)
	Property Management	(1,893)	(71)	2,186
	Strategic Housing	257	235	(26)
	Town Centre and Markets	1,214	1,271	69
	Building Control	57	322	318
	Environmental Management	6,193	6,620	512
	Fleet Management	(219)	(221)	(2)
	Highways	3,269	3,489	265
	Public Protection	960	1,329	444
	Strategic Transport	14,772	14,772	0
	Street Lighting	3,597	3,599	2
	Waste Disposal Authority	15,233	15,233	0
	Waste Management Service	3,781	4,337	668
	Heritage, Libraries and Arts	5,197	5,181	(18)
	Community Safety	426	365	(73)
	District Partnerships	924	858	(79)
	Strategic Housing	6,043	6,222	214
	Stronger Communities	116	102	(17)
	Youth Services Client	705	695	(13)
Place & Economic Growth Total		60,810	65,635	5,789

DIRECTORATE	SERVICE AREA	Qtr 1 Annual Budget £000	Qtr 1 Annual Forecast £000	Annual Forecast Variance £000
Corporate Services	Partnership Support (Borough and GM)	1,524	1,524	0
	Strategic Customer Service	248	248	0
	Democratic and Civic Services	1,741	1,855	137
	Communications and Research	595	579	(18)
	Customer Services	1,549	1,519	(37)
	ICT	4,743	4,910	201
	Democratic and Civic Services	274	292	22
	Audit	2,118	2,061	(69)
	Commissioning and Procurement	526	395	(157)
	Democratic and Civic Services	393	348	(53)
	External Funding	(22)	(22)	(0)
	Finance	2,047	2,064	21
	Housing Benefit Payments	328	328	0
	Revenues and Benefits	3,661	3,661	0
	Transformation and Reform	214	(69)	(340)
	HR Strategy	2,298	1,964	(400)
	Organisational Development	347	347	0
	Democratic and Civic Services	1,838	1,999	193
	Elections	0	0	0
	Legal	1,548	2,059	612
	Registrars	(73)	(176)	(124)
	Strategy and Performance	741	821	96
Corporate Services Total		26,638	26,708	84
Capital Treasury and Technical Accounting	Corporate Expenses	11,105	11,105	0
	Interest and Investment Expenditure and Income	9,420	9,420	0
	Corporate and Democratic Core	836	836	0
	Parish Precepts	333	333	0
Capital Treasury and Technical Accounting Total		21,695	21,695	0
Grand Total		269,107	286,459	20,822

CAPITAL INVESTMENT PROGRAMME

2025/26 MONITORING REPORT

Quarter 1– June 2025

1 Background

- 1.1 The original Capital Programme for 2025/26 reflected the priorities outlined in the Capital Strategy as approved at Cabinet on 17 February 2025 and confirmed at the Council meeting on 6 March 2025.
- 1.2 The position at the end of Month 3 (June 2025) 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.

Current Position

- 2.1 Table 1 below shows the Capital Programme for 2025/26 and a further four years to 2028/29, and reflects the priorities outlined in the Capital Strategy.

Table 1 – 2025/30 Capital Strategy

Directorate Budget	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
Community Health and Adult Social Care	4,106	3,000	3,000	-	-	10,106
Children's Services	10,482	3,151	2,000	-	-	15,632
Communities	338	-	-	-	-	338
Place	80,617	14,997	15,501	2,055	-	113,170
Housing Revenue Account (HRA)	3,193	206	210	215	219	4,043
Corporate/Information Technology	3,165	3,123	2,595	1,877	-	10,760
Capital, Treasury & Technical Accounting	3,600	2,628	4,373	2,500	5,000	18,101
Funding for Emerging Priorities	3,000	2,885	2,000	-	-	7,885
Total Expenditure	108,501	29,990	29,680	6,647	5,219	180,037

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

Funding	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
Grant & Other Contributions	(60,800)	(9,736)	(9,558)	(780)	-	(80,874)
Prudential Borrowing	(39,855)	(17,480)	(17,660)	(3,343)	(3,000)	(81,338)
Revenue Contributions	(3,193)	(206)	(210)	(215)	(219)	(4,043)
Capital Receipts	(4,653)	(2,567)	(2,252)	(2,309)	(2,000)	(13,781)
Grand Total	(108,501)	(29,990)	(29,680)	(6,647)	(5,219)	(180,037)

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

- 2.2 Following the 2024/25 Month 12 outturn report which was approved at Cabinet on 21 July 2025, the 2025/26 Capital Programme was revised to reflect anticipated reprofiling and consequently increased to £114.170m.

2025/26 Capital Programme

2.3 Following the approval of the Capital Strategy in March 2025, a small number of year- end reprofiling adjustments and new approvals have taken place as follows:

Rephasing

2.4 Rephasing of expenditure carried forward from 2024/25 has resulted in an increase of £5.669m for 2025/26, of which £2.164m was budget underspends on completed projects. The remaining £3.505m is due to schemes slipping into future years.

2.5 Year end slippage together with additional funding and schemes phased across the 2025-2030 Capital Programme has resulted in an increase of £32.994m to a total of £212.981m. New funding and schemes relating to 2025/26 comprise of as illustrated in Table 2 below.

2.6 These comprise:

- £19.9m of Community Regeneration Partnership capital grant
- £0.352m an additional grant relating to a higher than anticipated grant award for the Disabled Facilities Grant
- £2.047m Northern Roots acceleration from future years
- £1.827m Wrigley Head Solar Farm acceleration from future years
- £0.590m Alexandra Park Depot acceleration from future years
- £0.204m of other smaller funding allocations across the programme.

2.7 The phasing of these additional funding streams in the 2025/26 Capital Programme and together with acceleration of funding from future years provisions for projects starting earlier than originally anticipated leaves the revised 2025/26 Capital Programme at £116.579m, a net increase of £2.409m (£24.920m-£22.511m), which is broken down in the Table 2 below.

Table 2

Directorate Budget	Capital Strategy 2025-30 £000	Year End Rephase £000	Approved Virements (to M03) £000	Proposed Virements (to M03) £000	Current Budget (M03) £000	Spend to M03 £000
Community Health and Adult Social Care	4,106	210	766	(500)	4,582	651
Children's Services	10,482	2,167	1,505	(7,797)	6,357	215
Communities	338	146	(239)	-	245	-
Heritage, Libraries and Arts	-	449	-	-	449	1
Place	80,617	1,326	24,139	(9,718)	96,364	9,526
Housing Revenue Account (HRA)	3,193	199	1	(1,990)	1,403	-
Corporate/Information Technology (IT)	3,165	(212)	626	-	3,579	160
Capital, Treasury & Technical Accounting	3,600	1,384	(1,384)	-	3,600	-
Funding for Emerging Priorities	3,000	-	(494)	(2,506)	-	-
Grand Total	108,501	5,669	24,920	(22,511)	116,579	10,553

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

- 2.8 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 I.
- 2.9 Actual expenditure to 30 June 2025 was £10.553m (9.05% of the proposed forecast outturn). This spending profile is lower than last year's (11.70%). The position will be kept under review and budgets will be managed in accordance with forecasts.
- 2.10 The revised Capital Programme for 2025/26 to 2029/30, considering all the above amendments in arriving at the revised forecast position, is shown in Table 3 together with the projected financing profile.

Table 3 – 2025/26 to 2029/30 Current Capital Programme

Directorate Budget	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	TOTAL £000
Community Health and Adult Social Care	4,582	3,000	3,500	-	-	11,082
Children's Services	6,357	7,786	6,456	2,184	-	22,783
Communities	245	-	-	-	-	245
Heritage, Libraries and Arts	449	-	-	-	-	449
Place	96,364	17,647	15,441	1,955	-	131,408
Housing Revenue Account (HRA)	1,403	7,195	2,220	215	219	11,252
Corporate/Information Technology (IT)	3,579	2,514	2,595	1,877	-	10,565
Capital, Treasury & Technical Accounting	3,600	2,640	4,373	2,500	5,000	18,114
Funding for Emerging Priorities		2,577	2,000	2,506		7,083
Grand Total	116,579	43,360	36,586	11,237	5,219	212,981

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

Funding	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	TOTAL £000
Grant & Other Contributions	(75,931)	(21,254)	(16,024)	(780)	-	(113,989)
Prudential Borrowing	(33,649)	(17,347)	(18,260)	(7,933)	(3,000)	(80,189)
Revenue Contributions	(1,437)	(2,195)	(210)	(215)	(219)	(4,276)
Capital Receipts	(5,562)	(2,563)	(2,092)	(2,309)	(2,000)	(14,527)
Grand Total	(116,579)	(43,360)	(36,586)	(11,237)	(5,219)	(212,981)

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

Capital Receipts

- 2.11 The Capital Programme requires the availability of £5.562m of capital receipts in 2025/26 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 £0.260m, the first call being the £2.600m outlined above.

2.12 The capital receipts position as at 30 June 2025 is as follows:

Table 4 – Capital Receipts 2025/26

	£000	£000
Capital Receipts Financing Requirement		5,562
Usable Capital Receipt b/fwd.	-	
Actual capital receipts received to date	(260)	
Identified in year capital receipts	(6,750)	
Anticipated surplus in 2025/26		(1,488)

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

- 2.13 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.
- 2.14 The Capital Strategy and Capital Programme 2025/30 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 5. Should the currently estimated position prevail then the position would be as illustrated in the table below:

Table 5 – Capital Receipts 2025/26 to 2029/30

Capital Receipts	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Capital Receipts Carried Forward	-	(1,448)	(4,975)	(5,710)	(3,400)
Identified Capital Receipts	(6,750)	(6,090)	(2,827)	-	-
Received in year	(260)				
Total Receipts	(7,010)	(7,538)	(7,802)	(5,710)	(3,400)
Capital Receipts Financing Requirement	5,562	2,563	2,092	2,309	2,000
Over/(Under) programming	(1,448)	(4,975)	(5,710)	(3,400)	(1,400)

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

- 2.15 The capital receipts forecast is currently higher than the required amount, given that this is the month 3 position and there is the opportunity for the forecast to change, 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

- 2.16 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 - Heritage, Libraries and Arts
Appendix E - SUMMARY – Month 3 - Place
Appendix F - SUMMARY – Month 3 - Housing Revenue Account (HRA)
Appendix G - SUMMARY – Month 3 - Corporate/Information Technology
Appendix H - SUMMARY – Month 3 - Capital Treasury and Technical Accounting
Appendix I - SUMMARY – Month 3 - Funding for Emerging Priorities
Appendix J - SUMMARY – Month 3 - Proposed Changes

SUMMARY – Month 3 (June 2025) - Community Health and Adult Social Care**APPENDIX A**

Service area	Original Budget £000	2024/25 Rephasing/ Acceleration	Approved Virements 2025/26	Proposed Virements 2025/26	Revised Budget (M03)	Expend to M03
Adult Services	4,106	210	766	(500)	4,582	651
Community Health and Adult Social Care Total	4,106	210	766	(500)	4,582	651

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

SUMMARY – Month 3 (June 2025) – Children’s Services**APPENDIX B**

Service area	Original Budget £000	2024/25 Rephasing/ Acceleration	Approved Virements 2025/26	Proposed Virements 2025/26	Revised Budget (M03)	Expend to M03
Children, Young People and Families (CYPF)	1,000	199	179		1,378	130
Schools - General Provision	6,473	250	2,840	(7,195)	2,368	37
Schools – Primary	-	1,269	327	(602)	994	31
Schools – Secondary	3,009	439	(1,840)		1,608	1
Schools – Special	-	10	-		10	
Schools – New Build	-	-	-		-	16
Children’s Service Total	10,482	2,167	1,505	(7,797)	6,357	215

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

SUMMARY – Month 3 (June 2025) – Communities**APPENDIX C**

Service area	Original Budget £000	2024/25 Rephasing/ Acceleration	Approved Virements 2025/26	Proposed Virements 2025/26	Revised Budget (M03)	Expend to M03
Local Investment Fund	338	146	(239)	-	245	-
Communities Total	338	146	(239)	-	245	-

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

SUMMARY – Month 3 (June 2025) – Heritage, Libraries and Arts

APPENDIX D

Service area	Original Budget £000	2024/25 Rephasing/ Acceleration	Approved Virements 2025/26	Proposed Virements 2025/26	Revised Budget (M03)	Expend to M03
Heritage, Libraries and Arts	-	449	-	-	449	1
Heritage, Libraries and Arts Total	-	449	-	-	449	1

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

SUMMARY – Month 3 (June 2025) – Place

APPENDIX E

Service area	Original Budget £000	2024/25 Rephasing/ Acceleration	Approved Virements 2025/26	Proposed Virements 2025/26	Revised Budget (M03)	Expend to M03
Asset Management – Corporate Premises	2,670	1,565	101	-	4,336	456
Asset Management - Education Premises	1,148	559	-	-	1,707	28
Boroughwide Developments	28,177	(4,471)	10,908	(9,718)	24,896	3,586
Boroughwide District Projects	17	10	-	-	27	-
Cemeteries and Crematorium	-	-	-	-	-	-
Countryside	80	(40)	-	-	40	-
Parks	13	583	60	-	656	290
Playing Fields & Facilities	-	49	-	-	49	16
Parks & Playing Fields	11	-	-	-	11	-
Private Housing	5,677	-	6,569	-	12,246	16
Strategic Acquisitions	1,647	500	-	-	2,147	669
Town Centre Developments	27,593	(4,275)	6,502	-	29,820	4,035
Accident Reduction	744	399	-	-	1,143	3
Bridges & Structures	4,107	3,672	-	-	7,779	109
Fleet Management	175	73	-	-	248	-
Highway Major Works/Drainage schemes	8,498	2,185	-	-	10,683	303
Minor Works	60	409	-	-	469	16
Miscellaneous	-	109	-	-	109	-
Place Total	80,617	1,326	24,140	(9,718)	96,364	9,526

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

SUMMARY – Month 3 (June 2025) - Housing Revenue Account (HRA)**APPENDIX F**

Service area	Original Budget £000	2024/25 Rephasing/ Acceleration	Approved Virements 2025/26	Proposed Virements 2025/26	Revised Budget (M03)	Expend to M03
Housing Revenue Account	3,193	199	1	(1,990)	1,403	-
HRA Total	3,193	199	1	(1,990)	1,403	-

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

SUMMARY – Month 3 (June 2025) – Corporate/Information Technology (IT)**APPENDIX G**

Service area	Original Budget £000	2024/25 Rephasing/ Acceleration	Approved Virements 2025/26	Proposed Virements 2025/26	Revised Budget (M03)	Expend to M03
Information Technology	3,165	(212)	626	-	3,579	160
Information Technology Total	3,165	(212)	626	-	3,579	160

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

SUMMARY – Month 3 (June 2025) – Capital Treasury and Technical Accounting**APPENDIX H**

Service area	Original Budget £000	2024/25 Rephasing/ Acceleration	Approved Virements 2025/26	Proposed Virements 2025/26	Revised Budget (M03)	Expend to M03
Cross Cutting /Corporate	3,600	1,384	(1,384)	-	3,600	-
Capital Treasury and Technical Accounting Total	3,600	1,384	(1,384)	-	3,600	-

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

SUMMARY – Month 3 (June 2025) - Funding for Emerging Priorities**APPENDIX I**

Service area	Original Budget £000	2024/25 Rephasing/ Acceleration	Approved Virements 2025/26	Proposed Virements 2025/26	Revised Budget (M03)	Expend to M03
Funding for Emerging Priorities	3,000	-	(494)	(2,506)	-	-
Funding for Emerging Priorities Total	3,000	-	(494)	(2,506)	-	-

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

SUMMARY – Month 3 (June 2025) Proposed Changes

APPENDIX J

EXPENDITURE BUDGETS TO BE REPROFILED AS AT 30 JUNE 2025	2025/26	2026/27	2027/28	2028/29	TOTAL	Comments
Directorate / Scheme	£000	£000	£000	£000	£000	
People – Community Health and Adult Social Care						
Social Care- General Provision	(500)	-	500	-	-	Rephase to future years
People – Community Health and Adult Social Care TOTAL	(500)	-	500	-	-	
People – Children’s Service						
Education Basic Need General Provision	(2,184)	-	602	2,184	602	Realign & Rephase to future years
SEND - Special Provision Capital Fund (SPCF)	(5,000)	2,500	2,500	-	-	Rephase to future years
Health Pupil Capital Fund (HPCF) - General Provision	(12)	-	-	-	(12)	Realign to Funding for Emerging Priorities
Clarksfield Primary (Oasis Academy) Expansion	(258)	-	-	-	(258)	Realign to Education Basic Need General Provision
Royton Hall classroom conversion	(144)	-	-	-	(144)	Realign to Education Basic Need General Provision
St Margaret's School - Additional Classroom Extension	(196)	-	-	-	(196)	Realign to Education Basic Need General Provision
Spring Brook Lower - Additional School Places	(4)	-	-	-	(4)	Realign to Education Basic Need General Provision
People - Children’s Service TOTAL	(7,797)	2500	3102	2,184	(12)	
People TOTAL	(8,297)	2,500	3,602	2,184	(12)	
Place - Boroughwide Developments						
Flexible Housing Fund	(1,708)	1,708	-	-	-	Rephase to future years
Northern Roots	-	1,000	-	-	1,000	Realigned from Green Shoots
Green Shoots (Rhodes Bank)	(8,010)	-	-	-	(8,010)	Realign to Northern Roots & Metropolitan Place Redevelopment
Place - Boroughwide Developments TOTAL	(9,718)	2,708		-	(7,010)	

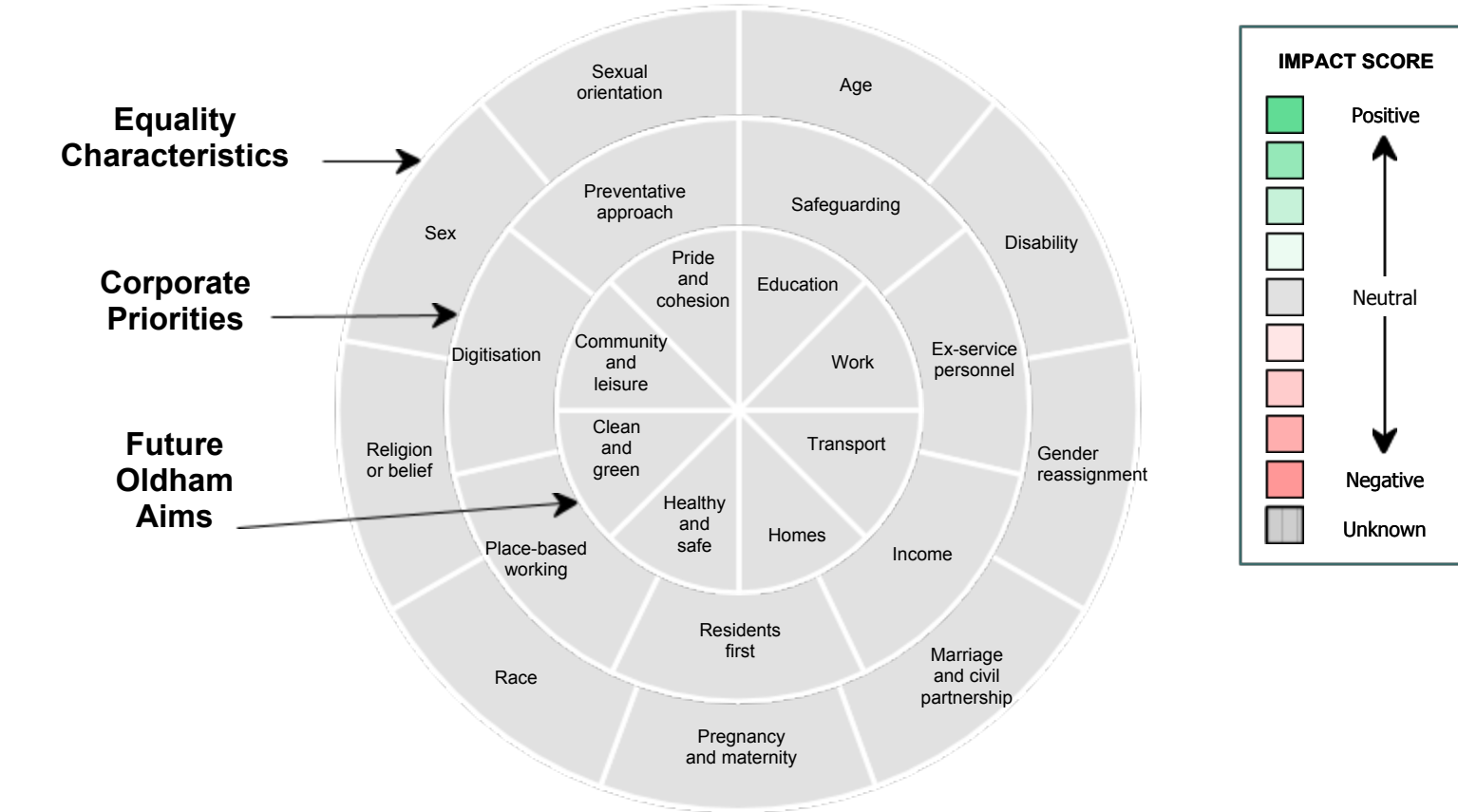
Place and Economic Growth TOTAL					(7,010)	
EXPENDITURE BUDGETS TO BE REPROFILED AS AT 30 JUNE 2025	2025/26	2026/27	2027/28	2028/29	TOTAL	Comments
Housing Revenue Account (HRA)						
Metropolitan Place Redevelopment	(1,990)	6,990	2,010	-	7,010	Realign & Rephase to future years
Housing Revenue Account TOTAL	(1,990)	6,990	2,010	-	7,010	
Funding for Emerging Priorities						
Funding for Emerging Priorities	(2,506)	12		2,506	12	Realign & Rephase to future years
Funding for Emerging Priorities Total	(2,506)	12		2,506	12	
TOTAL	(22,511)	12,210	5,612	4,690	-	

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

FINANCING BUDGETS TO BE REPROFILED AS AT 30 JUNE 2025	2025/26	2026/27	2027/28	2028/29	TOTAL
Fund Source	£000	£000	£000	£000	£000
Grants and Contributions	14,494	(9,383)	(5,112)	-	-
Prudential Borrowing	6,027	(837)	(500)	(4,690)	-
Revenue Contribution (HRA)	1,990	(1,990)		-	-
Capital Receipts	-	-	-	-	-
TOTAL	22,511	(12,210)	(5,612)	(4,690)	-

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

Annex 3 - EIA: Financial Monitoring 25/25 (Qtr 1)



Annex 3- EIA: Financial Monitoring 25/26 (Qtr 1)				
	Impact	Likelihood	Duration	Comment
Equality Characteristics				
Age	Neutral	Possible	Short Term	The report considers the 2025/26 financial position of the Council at Quarter 1 (30 June 2025) 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 2025/26 financial position of the Council at Quarter 1 (30 June 2025) 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 2025/26 financial position of the Council at Quarter 1 (30 June 2025) 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