

Report to Cabinet

Revenue Monitor and Capital Investment Programme 2025/26 Quarter 2 – September 2025

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

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17 November 2025

Reason for Decision

The report provides Cabinet with an update as at 30 September 2025 (Quarter 2) 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 adverse position for 2025/26 at the end of Quarter 2 is estimated to be £21.094m (£23.209m at the end of Month 5).

The details within this revenue monitoring report for Quarter 2 follows on from the Month 5 report previously presented and highlights any significant areas of concern which may not just impact on the current year, but also when preparing future budgets. A forecast adverse position based on the Quarter 2 revenue controllable budget is £21.094m which is a favourable movement of £2.115m from the position previously reported.

The increasing need for support of the Council's services from residents and businesses, the complexity of the support needed, and inflationary costs continue to put pressure on service budgets and is demonstrated by the forecast outturn position reported at the end of Quarter 2. These pressures, in the main driven by escalating costs in essential statutory services supporting the most vulnerable residents, reflects the broader challenges the Council and numerous Councils across the country are facing. This is particularly acute in statutory and heavily inspected services where there is little flexibility to mitigate rising costs, for example increasing pressures on social care budgets due to the support needs of

vulnerable children and complexity in the needs of adult requiring support. There is also an increasing need to support children with Special Educational Needs (SEND) and whilst significant work has been done in the last 12 months, homelessness presentations and use of temporary accommodation is still of concern given the numbers accessing this service.

Since the last report was presented to this meeting, the implementation of the agreed enhanced controls has started to have an impact on the forecast position resulting in the favourable movement between periods. As these controls are further embedded it is expected that the position will continue to improve. It is important that the organisation continues its work on mitigating and reducing the forecast revenue variance by the end of the financial year, limiting any unbudgeted use of reserves and protecting its financial resilience.

Given, the in-year financial position of the Council, the level of reserves available and the budgetary gaps already within the MTFs, the upcoming Policy Statement and the outcome of the Local Government Finance Settlement for 2026/27 onwards will have a significant influence on the financial sustainability of the Council and the Council's ability to set a balanced budget over the short term. The budget pressures the Council has faced in recent years cannot continue to be mitigated without significant action both to reduce projected spend in year and to reduce costs over the years to come. Further details of mitigations underway is included at Annex 1.

Information on the forecast year end position of the Dedicated Schools Grant (DSG), and Housing Revenue Account (HRA) are 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 £122.248m at the close of Quarter 2. Actual expenditure to 30 September 2025 was £25.973m (21.2% 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 2 at £21.094m 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 notes the forecast for the financial years to 2029/30 as at the end of Quarter 2 as outlined in Annex 2.

Revenue Monitor and Capital Investment Programme 2025/26 Quarter 2 – September 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 2.
- 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 revenue monitoring report for the period to the end of September 2025 highlights significant areas of concern which may not just impact on the current year, but also when preparing future budgets. A projected adverse position based on the Quarter 2 controllable budget is £21.094m, which is a favourable movement of £2.115m from the position previously reported. Close financial management continues at all levels of the organisation with early actions having been undertaken by the Executive Team to mitigate this position and to ensure that there is minimal impact on setting the budget for 2026/27 and limit any unbudgeted use of general revenue reserves.
- 2.2 The main areas of concern identified within this monitoring report are:
- Adult Social Care with a forecast unfavourable position for the reporting period of £10.745m,
 - Children's Services with an estimated adverse position of £5.308m; and
 - Place with a forecast adverse position of £5.578m.
- 2.3 As detailed within the previous monitoring report presented to this meeting, enhanced spending controls across recruitment and expenditure were implemented by Senior Leaders as a response to the significant adverse variances that have been reported this financial year. The impacts of these actions to date are included within this revenue forecast position and have had a positive impact on the adverse variance reported. The Council must continue its efforts to reduce the forecast variance by the year end to mitigate any potential impact on the 2026/27 budget.
- 2.4 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.
- 2.5 Where Local Authorities are unable to finance their day to day to expenditure and before a Council issues a Section 114 notice, Government can provide temporary assistance by way of Exceptional Financial Support (EFS). EFS is temporary financial assistance provided by the government to Councils that are facing severe financial difficulties.
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- 2.6 The Council eagerly awaits the Policy Statement from Government on the Settlement and the full Settlement itself which is due by the end of the calendar year. Meanwhile, the Council is undertaking an assessment of the likely gap based on current and projected demand and costs in order to determine any possible requirement for support.
- 2.7 The in-year deficit forecast position for the Dedicated Schools Grant at the end of Quarter 2 is £10.048m, which is an adverse movement of £1.414m compared to the position reported at Quarter 1. This would reduce to an overall deficit by the close of the financial year of £8.886m after the application of the DSG surplus at £1.182m held within usable reserves. Details of this position are included within the report.
- 2.8 The Housing Revenue Account forecast shows a projected drawdown from the HRA reserve at the financial year end of £0.477m, with further details included in Annex 1.
- 2.9 The original Capital Programme for 2025/26 totalled £108.501m. The revised capital programme as at Quarter 2 taking into account any approved carry forwards, approved new funding, new schemes and variations and proposed variations/ re-phasing gives projected revised expenditure of £122.248m. Actual expenditure at the end of Quarter 2 was £25.973m (21.2% of the forecast outturn). Further details of expenditure and schemes within the capital programme can be found in Annex 2.
- 2.10 The Annual Review of the capital programme will be undertaken during this financial year. 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 detailed within a future report.

3 Options/Alternatives

- 3.1 The options that Cabinet might consider in relation to the contents of this report are;
- a) agree the recommendations
 - b) to not agree the recommendations and 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-10-25

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 I

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21 Appendices

Annex 1 Revenue Budget Monitoring Report 2025/26 Quarter 2 - September 2025

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

Annex 2 Capital Investment Programme Report 2025/26 Month 6 – September 2025

Appendix A SUMMARY – Month 6 - Community Health & Adult Social Care

Appendix B SUMMARY – Month 6 - Children's Services

Appendix C SUMMARY – Month 6 - Communities

Appendix D SUMMARY – Month 6 – Heritage, Libraries & Arts

Appendix E SUMMARY – Month 6 - Place

Appendix F SUMMARY – Month 6 – Housing Revenue Account (HRA)

Appendix G SUMMARY – Month 6 – Resources / Information Technology

Appendix H SUMMARY – Month 6 – Capital, Treasury and Technical Accounting

Appendix I SUMMARY – Month 6 – Funding for Emerging Priorities

Annex 3 Equality Impact Assessment- Financial Monitoring 25-26 (Qtr 2)

REVENUE BUDGET MONITORING REPORT 2025/26

Quarter 2 – September 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 2.
- 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 Current Position

- 2.1 The current net controllable revenue budget of £324.012m which is a £1.084m movement from the previously reported period (£322.928m). This change is due to the receipt of additional unringfenced Government Grants as detailed in the table below:

Movement in Funding	£000
Family Hubs and Start for Life Programme	(691)
Individual Placement and Support Grant	(155)
Leaving Care Allowance Grant	(39)
Rough Sleeping Grants	(168)
Public Health Grant - uplift	(31)
Net Movement in Funding	(1,084)

- 2.2 The details within this revenue monitoring report for Quarter 2 follows on from the Month 5 report previously presented and highlights any significant areas of concern which may not just impact on the current year, but also when preparing future budgets. The Quarter 2 forecast position shows a favourable movement of £2.115m from the position previously reported result is an estimated adverse position of £21.094m. A projected outturn position at this level demonstrates that the close financial management that has been undertaken thus far is to be continued throughout 2025/26 considering the budget gap in the Medium Term Financial Strategy for 2026/27 and 2027/28 and the limited Earmarked Reserves available.
- 2.3 As detailed within the previous monitoring report presented to this meeting, enhanced spending controls across recruitment and expenditure were implemented by Senior Leaders as a response to the significant adverse variances that have been reported this financial year. The impacts of these actions to date are included within this revenue forecast position and have had a positive impact on the adverse variance.

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- 2.4 The effectiveness of these management actions will continue to be closely monitored by the Executive Team throughout the financial year. As the forecast adverse position at the end of Quarter 2 remains at a significant level, further management actions will continue to be explored to mitigate the pressures being reported if this position does not improve further. Any further management actions implemented will be reported to Members through the regular financial monitoring reports submitted to Cabinet during the remainder of this financial year.
- 2.5 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.
- 2.6 Where Local Authorities are unable to finance their day to day to expenditure and before a Council issues a Section 114 notice, Government can provide temporary assistance by way of Exceptional Financial Support (EFS). EFS is temporary financial assistance provided by the government to Councils that are facing severe financial difficulties. This support, which is not additional revenue funding provided by Government, is typically used to help a Council meet its financial obligations, continue to deliver essential services and avoid the need to issue a 'Section 114'.
- 2.7 As mentioned in the Month 5 report, in recent years there has been an increase in the number of Councils being awarded EFS. EFS is a temporary assistance mechanism and does have ongoing implications, including enhanced monitoring requirements for Councils and should only be entered into when absolutely necessary. The Council is not yet making an application for EFS and awaits the Policy Statement on the settlement from the Government and the final Settlement itself, before exploring support available to Local Authorities.
- 2.8 At the time of writing, the publication of the Policy Statement for the Local Government Finance Settlement 2026/27, which will include the outcomes of the Fair Funding Review 2.0 Consultation, has been moved onwards and is now expected to be delivered at the end of November and potentially after "budget week" which is 24-28 November, with the actual Settlement expected week commencing 15 December.
- 2.9 The forecast revenue position at the end of Quarter 2 is detailed in the table below. Demand for Council services with increased complexity of need continues to have an impact on the projected position despite the work previously undertaken across the organisation to mitigate. Officers are continuing to seek out and implement additional actions wherever possible to reduce this gap further with service mitigations detailed within this report. These mitigations will be monitored regularly with an expectation that this work will continue to reduce the overall revenue adverse 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.
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Table 1 – Summary of Quarter 2 Forecast Revenue Budget Position

Directorate	Annual Budget £000	Annual Forecast £000	Annual Variance reported at Quarter 2 £000	Annual Variance reported at Month 5 £000	Change in Variance between periods £000
Adult Social Care	82,691	93,436	10,745	12,191	(1,446)
Children's Services	86,189	91,498	5,308	5,266	43
Public Health	23,703	23,534	(169)	(228)	59
Place	73,286	78,865	5,578	5,921	(343)
Resources	33,457	33,087	(370)	59	(429)
Capital, Treasury and Technical Accounting	24,686	24,686	-	-	-
NET EXPENDITURE	324,012	345,106	21,094	23,209	(2,115)
Financed By:					
Locally Generated Income	(181,158)	(181,158)	-	-	-
Government Grants	(143,884)	(143,884)	-	-	-
Collection Fund Deficit	1,030	1,030	-	-	-
TOTAL FINANCING	(324,012)	(324,012)	-	-	-
OVERALL PROJECTED VARIANCE	-	21,094	21,094	23,209	(2,115)

Significant revenue variances by Directorate

Table 2 – Summary of Quarter 2 Revenue budget variance analysis

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

Directorate	Non-Delivery of Savings (Red & Amber) £000	Expenditure Variance £000	Income Variance £000	Annual Variance reported at Quarter 2 £000
Adult Social Care	3,107	6,900	738	10,745
Children's Services	3,075	2,771	(538)	5,308
Public Health	-	(150)	(19)	(169)
Place	385	2,090	3,103	5,578
Resources	101	4,229	(4,700)	(370)
NET EXPENDITURE	6,668	15,840	(1,414)	21,094

2.11 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 £10.745m at the end of Quarter 2 (£12.191m at the end of Month 5).
- Children's Services is reporting a pressure at the end of Quarter 2 at £5.308m (£5.266m at the end of Month 5).
- Place is reporting a pressure of £5.578m at the end of Quarter 2 (£5.921m at the end of Month 5).

2.12 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 2 at £10.745m (Month 5 at £12.191m)

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

- | | |
|--|---------|
| • Non- Delivery of Budget Reductions (Red and Amber) | £3.107m |
| • Expenditure Variance | £6.900m |
| • Income Variance | £0.738m |

Further details for the expenditure and income variances are included in the following paragraphs, with details on budget reductions included at Section 3.

2.14 The Community Health and Adult Social Care service is reporting significant pressures forecast to be £5.326m at the end of this reporting period (£5.307m at the end of Month 5). These pressures predominantly relate to clients with physical disabilities accessing care at home (£2.346m), short stays following a hospital stay (£0.804m), costs for supported living placements (£0.668m), clients with nursing placements (£0.471m), clients with residential placements (£0.729m) and under-recovery of contributions (£0.069m).

2.15 The Learning Disability service is reporting an unfavourable a year end forecast of £3.213m at the end of Quarter 2 (£3.531m at the end of Month 5). The largest contributing areas to this estimated position are Care at Home which is an adverse position of £1.393m with £1.503m for Supported Living. There is a pressure against the available budget for residential care at £0.529m and direct payments at £0.111m with other smaller variances across this divisional area.

2.16 The Mental Health service is reporting an estimated adverse position of £1.677m by the end of the financial year as reported in month 6 compared to 1.095m at the close of Month 5. The costs for Supported Living being the largest contributing factor to this position which is estimated to be £1.453m. There are other smaller variances for nursing and short stay

placements which drive the overall position and which are being offset by favourable variances due to vacant posts and additional income across this service area.

2.17 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

2.18 These trends indicate a higher level of acuity among individuals requiring care.

Adult Social Care – Planned Mitigations

2.19 There are planned mitigations that are in the process of being developed and / or embedded to reduce the forecast adverse 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 and MioCare provision by utilising internal 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.
- The Transitions Hub is now in place and actively working with young adults. Additionally, an ASC based Transitions team has been created.
- 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 additional temporary resource to clear significant assessment backlog with expected benefits to be realised from Quarter 3.

2.20 Work continues to implement planned mitigations, and it is expected that these will have a positive impact on the adverse variance with the expected unfavourable position to be reduced by the end of Quarter 3. The pace of implementation needs to be continued to ensure this position can be mitigated as much as possible by the end of the financial year. It should be noted that the complexity of need for clients accessing this statutory service remains high and whilst the directorate is working hard to reduce this adverse variance, other factors such as demand and need could impact future forecasts.

Children's Services adverse variance at the end of Quarter 2 at £5.308m (£5.266m at the end of August 2025)

2.21 The forecast unfavourable position for this directorate area as at the end of September 2025 can be broken down as follows:

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- Non- Delivery of Budget Reductions (Red and Amber) £3.075m
 - Expenditure Variance £2.771m
 - Income Variance (£0.538m)

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

- 2.22 Children's Services are reporting a £5.308m forecast adverse variance for the financial year as at the end of September 2025 of which £3.075m is due to the non-delivery of budget reductions, namely the Children's Investment Plan (£2.852m).
- 2.23 The remaining pressure is mainly due to additional costs for Children with Disabilities short breaks, additional legal costs and the loss of Continuing Health Care (CHC) income due to the change in cohort and those children who are eligible for this funding. Pressures are being mitigated by slippage on vacant posts across the division.

Children's Services – Planned Mitigations

- 2.24 There are planned mitigations that are in the process of being developed and / or embedded to reduce the forecast unfavourable position for this directorate. A summary of these are as follows:
- Continued work on reducing agency staffing engagements
 - Continued review of placements particularly for those that are high cost
 - Placements review for the Children with Disabilities service
 - Service review of legal fee commitments
 - Review of School insurance contract to mitigate emerging issue
 - Looking at areas where income can be maximised wherever possible
 - Progression of charging policy
 - Reviewing operating model for the Music Service

Public Health favourable variance of (£0.169m) as at the end of Quarter 2 ((£0.228m) at the end of Month 5)

- 2.25 Public Health is projecting a favourable position by the financial year end of £0.169m. This position is due to vacancies held across Public Health and Leisure services.

Place Directorate is reporting adverse variance by year end of £5.578m (£5.921m at the end of Month 5) as at the end of September 2025

- 2.26 The forecast unfavourable position for this directorate area as at the end of Quarter 2 can be broken down as follows:
- Non- Delivery of Budget Reductions (Red and Amber) £0.385m
 - Expenditure Variance £2.090m
 - Income Variance £3.103m
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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

- 2.27 The Environment service area is forecast to be in an adverse position of £2.274m (£2.304m as reported at the end of Month 5) 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. There are also several income targets not expected to be achieved across each area particularly security and response services which are driving this forecast adverse position, with academisation of schools having an impact on income generation. Favourable variances in other areas such as parking, street lighting, environmental health and traffic management are offsetting these main pressures

Growth

- 2.28 The Growth Division is reporting a £3.575m projected adverse variance by the financial year end. This pressure relates to the much-reduced rent agreements currently being sought by both prospective and sitting tenants. An increased Council footprint and voids within the Spindles Shopping Centre has also led to increased service charge payable and foregone rent. Running costs and Repairs and Maintenance costs for the Council's property portfolio are having the largest impact with costs being incurred for assets within the Council's disposal programme where there has been a delay in sale or a change to the future of the asset. There are pressures within the Building Control service due to income generated being lower than that budgeted, alongside additional costs for staffing due to the use of agency workers to cover vacant posts.
- 2.29 Favourable variances in other areas such as Development Control and Housing Delivery are dampening the pressures noted above.

Communities

- 2.30 The Communities division is forecasting a favourable position by the end of the financial year of (£0.271m). Housing Needs is currently forecast to underspend by £0.126m which is reflective of falling placements in temporary accommodation coupled with the sourcing of cheaper accommodation provision. It should be noted that this area is particularly volatile and a small increase in the number of placements could lead to a significant rise in current forecasts.

Place - Planned Mitigations

- 2.31 There are planned mitigations that are in the process of being developed and / or embedded to reduce the forecast adverse position for this directorate. A summary of these are as follows:
- Review in train of the fleet replacement timelines and issues with equipment not lasting within the expected timeframe
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- 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

Resources forecast favourable variance at the end of Quarter 2 of (£0.317m) (£0.059m adverse variance previously reported)

2.32 The forecast favourable position for this directorate area as at the end of September 2025 can be broken down as follows:

- | | |
|--|-----------|
| • Non- Delivery of Budget Reductions (Red and Amber) | £0.101m |
| • Expenditure Variance | £4.229m |
| • Income Variance | (£4.701m) |

Further details for the expenditure and income variances are included in the following paragraphs, with details on budget reductions included at Section 3.

2.33 The key driver for this forecast favourable position is due to slippage on vacant posts across the directorate as a whole but particularly in Transformation and Reform, Finance, HR services and Commissioning & Procurement. These favourable positions are offsetting the pressure in legal services of £0.690m due to the use of agency workers to cover vacant posts.

Resources – Planned Mitigations

2.34 Whilst the directorate is forecast to end the financial year with a favourable financial position, there are planned mitigations that are in the process of being developed and / or embedded to address any individual service area's adverse position during this financial year which would increase the favourable variance further. 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
- Review of all ICT Licences, software contracts and ways of working for the organisation

Capital, Treasury and Technical Accounting – no variance

2.35 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 end of September 2025.

2.36 A detailed revenue table is attached at Appendix 1.

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

3.1 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 2. 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.

3.2 In terms of savings, £19.916m (£19.163m at Month 5) of the £26.584m approved budget reduction targets are either delivered or on track to be delivered (Green) representing 75% of the total savings target. 8% are off track but with targeted work could be achieved (Amber) and a further 17% or £4.637m (£5.206m at Month 5) 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	(5,381)	(1,879)	(1,228)	(8,488)
Children's Services	(3,438)	(72)	(151)	(3,661)
Place	(3,728)	(29)	(356)	(4,113)
Public Health	(465)	0	0	(465)
Resources	(4,293)	(51)	(50)	(4,394)
Capital, Treasury & Technical Accounting	(4)	0	0	(4)
TOTAL	(17,309)	(2,031)	(1,785)	(21,125)
Children's Investment Plan	(2,607)	0	(2,852)	(5,459)
TOTAL	(19,916)	(2,031)	(4,637)	(26,584)
Mth 5 Position	(19,163)	(2,215)	(5,206)	(26,584)

Significant Budget reduction variances by Directorate

Adult Social Care

3.3 Of the £8.488m of budget savings approved for the Adult Social Care Directorate, £1.228m of them are rated Red and off track. Three budget savings drive this variance as follows:

- Achieving Better Outcomes £0.583m
- Adults, Health & Wellbeing £0.145m
- Focused Transitions Team £0.500m

Children's Services

- 3.4 As detailed in Table 3, £3.003m (£3.058m at Month 5) of Children's Services budget reductions are rated Red with 95% 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 savings are as follows:

- Social Work Services £0.137m
- Gemini House income £0.014m

Place

- 3.5 For this Directorate, 9% of the total approved budget reductions for this area are rated Red and relates to Environment - Service Review / Income Generation at £0.356m.

Resources

- 3.6 There is one approved budget reduction for 2025/26 rated as off track and this is the centralisation of Business Intelligence functions at £0.050m.

Mitigations / Planned Actions for non-delivery of budget reductions

- 3.7 The 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 and this meets periodically to review the current and forecast delivery of agreed budget reductions. Any slip against timelines is explored and challenged with a requirement for actions to be brought back on track to ensure the delivery of the saving.
- 3.8 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.

4 Mitigation of Current forecast Budget Position

- 4.1 Throughout this report, corporate and service mitigations have been detailed with the aim of reducing the forecast adverse variance from the position reported, with enhancement of these controls implemented as an early action by the Executive Team to bring down the forecast position. Whilst the position at the end of Quarter 2 has improved since the position previously reported, work to mitigate this position must be continued at pace to ensure that this is reduced as much as possible by the end of the financial year.
- 4.2 As the financial year progresses and dependent of the revenue position as the mitigations implemented embed, further management actions may be required as a matter of urgency. Services continue to review their ways of working, their structures and costs to reduce spend wherever possible to deliver additional savings during this financial year.
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- 4.3 The effectiveness of all management and corporate actions will continue to be closely monitored by the Executive Team. Current indications are that the overall adverse variance will continue to be reduced. Further updates will continue to be included within future monitoring reports presented to this meeting.

5 Reserves and Balances

- 5.1 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.
- 5.2 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.
- 5.3 As included within the Month 5 monitoring report, Earmarked Reserves totalling £0.402m and Revenue Grant Reserves totalling £0.030m had been requested and reviewed by the Chief Executive and the Section 151 Officer in line with the approved reserves policy. Use of these reserves will reduce the general reserve total to a projected year end balance of £33.342m. There have been no further requests as at the end of Quarter 2.
- 5.4 It should be noted by Members, that whilst there are a number of 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.

6 Dedicated Schools Grant (DSG)

- 6.1 The Quarter 2 Dedicated Schools Grant (DSG) position is an in-year overspend of £10.048m, which is an adverse movement of £1.414m compared to the position reported to the last Schools Forum in June 25. The overall DSG deficit position is therefore, currently forecast to be £8.886m at the year end. The most significant pressure remains within the High Need Block (HNB), which has deteriorated by a further £1.414m compared to the Quarter 1 position. The current position has not been reported to the Schools Forum. Work is ongoing and an updated position will be presented at the next meeting scheduled for 3 December 2025.

Table 4 - Dedicated Schools Grant: Quarter 2

	Budget £000	Forecast £000	Variance £000	Movement £000
Schools Block	274,777	276,157	(1,380)	0
Central School Services Block (CSSB)	2,559	2,559	0	0
Early Years Block	38,410	38,732	(322)	0
High Needs Block	66,954	75,300	(8,346)	(1,414)
Sub Total	382,700	392,748	(10,048)	(1,414)
Deficit/ Surplus Brought Forward		1,182	1,182	
Cumulative Deficit/ Surplus		393,930	(8,866)	(1,414)

6.2 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 for 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 offsetting the underspend carried forward from 2024/25.
 - 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 of £0.520m
 - An increased pressure of £1.414m within the High Needs Block (HNB), relates to further escalation in costs relating to Out of Borough and Special School provision.
 - 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.
 - Funding announcements in relation to the 4 blocks of the DSG are most likely to be made public in December. The current forecast assumes increases comparable to those in the previous year and any deviation could have an impact on the forecast position, particularly in relation to the High Needs Block.
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7 Housing Revenue Account Budget & Forecast (2025/26)

Table 5 – Housing Revenue Account - Quarter 2

	Original Budget	Revised Budget	Spend as at Q2	Forecast Outturn	Variance From Budget
	£000	£000	£000	£000	£000
Income					
Dwelling Rents	(10,579)	(10,571)	(4,048)	(10,641)	(70)
Service Charges & Other Income	(1,354)	(1,503)	(734)	(1,499)	4
PFI Credits	(18,799)	(18,799)	(4,700)	(18,799)	0
Interest on Balances	(200)	(200)	0	(200)	0
Total Revenue Income	(30,932)	(31,073)	(9,482)	(31,138)	(66)
Expenditure					
Repairs & Maintenance	52	51	35	91	40
Utilities	788	778	197	765	(13)
Rents & Rates	117	116	3	115	(1)
RCCO	3,193	1	0	0	(1)
PFI Management Costs inc MRP	27,405	27,604	12,363	27,577	(27)
Other Supervision & Management	1,015	1,002	0	959	(43)
Central Overheads	984	892	0	873	(19)
Other Miscellaneous	787	776	299	781	5
Depreciation	80	307	0	305	(1)
Adjustments to the Loss Allowance	0	136	0	150	14
Total Revenue Expenditure	34,421	31,661	12,898	31,615	(46)
Total HRA (Surplus)/Deficit	3,489	589	3,415	477	(112)

Housing Revenue Account (HRA)

- 7.1 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.
- 7.2 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.

7.3 The latest HRA forecast for 2025/26 shows a required drawdown of £0.477m 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 £0.070m higher than budgeted
- Other Supervision & Management - £0.043m – mainly staffing savings
- Utility Costs – Currently forecast to underspend by £0.013m compared to the budget. Most costs come through in Quarters 3 and 4 so this is subject to change.
- PFI Management Savings - £0.027m

7.4 These are offset by:

- additional costs of £0.040m on Repairs and Maintenance, mainly heating repairs at Holly Bank
- a further net £0.001m on various other areas of spend.

HRA Capital Programme

7.5 There was minimal capital expenditure (£0.001m) 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

7.6 Reserves at the start of 2025/26 stood at £24.447m, and the forecast balance would see this reduce to £23.970m.

7.7 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.

7.8 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.

Table 6 – Housing Revenue Account Forecast Reserves position – Quarter 2

HRA Reserve	£000
Balance brought forward from 2024/25	(24,447)
Forecast Transfer to HRA 2025/26	477
Forecast Balance at 2025/26 Year End	(23,970)

8 Revenue Funding and Collection Fund

- 8.1 Council Tax and Business Rates are a significant source of funding for Council services with income from these areas highly volatile. The 2025/26 financial year is no different with the on-going impact of the cost-of-living crisis having an impact on Council Tax collection. As such, the financial position of the Collection Fund is under constant review.
- 8.2 It is often difficult to forecast a likely outturn position on Council Tax and Business Rates, given the patterns of cash collection, claims for Council Tax Support and exemptions have not yet matured. A detailed update will be provided in the Quarter 3 report.
- 8.3 The Greater Manchester (GM) 100% Business Rates Retention Scheme has continued into 2025/26. Any financial benefits arising from membership within the pilot scheme will continue to be monitored.
- 8.4 For 2026/27, the Government has announced a National Business Rates Reset which will look to redistribute funding across the whole system. Greater Manchester has its own Business Rates Retention Scheme which will result in a partial Business Rates Reset for the region, whereby an element of growth will be retained by the GM scheme before the national reset applies. This is a highly complex area of work with limited information available around the impact for GM and for Oldham itself. It is expected that the forthcoming Policy Statement will provide further clarity on the impact of the Business Rates Reset, and updates will be provided as part of the Council's budget setting process.

9 Summary

- 9.1 The current projected position as at the end of Quarter 2, shows a potentially significant adverse position by the end of the financial year but which has improved from the position previously reported. This remains a serious concern for the Council and early actions have been taken by the Executive Team to address this position with work continuing across the whole organisation to reduce the position wherever possible. With the reduced level of reserves held by the Council it is important that this position continues to be addressed as a priority and must be reduced by year end to limit the impact it has on the financial sustainability of the Council.
- 7.1 Whilst 83% of savings delivered or with the potential to deliver after targeted intervention, given the overall financial pressures facing the Council, the uncertainty around the deliverability of the remaining 17% of savings is of concern. Any non-achievement of savings not only impacts the current year position but has 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. This will continue to be closely monitored through the monthly Delivery Board meetings.
- 7.2 The increasing need for use of the Council's services from residents and businesses, the complexity of the support needed, and inflationary costs continue to put pressure on service budgets and is demonstrated by the Quarter 2 forecast outturn position. These pressures, in the main driven by escalating costs in essential statutory services supporting the most vulnerable residents, reflects the broader challenges the Council and numerous Councils
-

across the country are facing. This is particularly acute in statutory and heavily inspected services where there is little flexibility to mitigate rising costs, for example increasing pressures on social care budgets due to the support needs of vulnerable children and complexity in the needs of adult requiring support. There is also an increasing need to support children with Special Educational Needs (SEND) and whilst significant work has been done in the last 12 months, homelessness presentations and use of temporary accommodation is still of concern given the numbers accessing this service.

- 7.3 This position is not specific to Oldham. Councils across the country continue to warn of financial distress and the risk of bankruptcy if insufficiency of funding and areas of budget pressure are not addressed by government. The numbers of Councils expected to request temporary assistance by way of Exceptional Financial Support (EFS) is expected to increase dramatically as part of the setting of the budget for 2026/27 and future years.
- 7.4 Given, the in-year financial position of the Council, the level of reserves available and the budgetary gaps already within the MTFS, the outcome of the Local Government Finance Settlement for 2026/27 and future years will have a significant influence on the financial sustainability of the Council and the Council's ability to set a balanced budget over the short term. The budget pressures the Council has faced in recent years cannot be mitigated indefinitely given the resources available.
- 7.5 Alongside this the Council will also need to consider how it continues to deliver local services. This will require Members to make challenging decisions. Without this combination of a national and local approach the Council's longer term financial robustness and resilience will be impacted, and the medium-term financial challenge will become increasingly difficult to manage and mitigate.
- 7.6 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 September 2025

DIRECTORATE	SERVICE AREA	Qtr 2 Annual Budget £000	Qtr 2 Annual Forecast £000	Annual Forecast Variance £000
Adult Social Care	Commissioning	15,718	15,698	(20)
	Community Business Services	893	862	(31)
	Clusters	3,275	3,777	502
	Community Health & Social Care	30,951	36,278	5,326
	Director Adult Social Care	1,638	1,623	(15)
	Learning Disability	17,837	21,050	3,213
	Mental Health	11,518	13,194	1,677
	Clusters	276	382	106
	Safeguarding	584	572	(13)
Adult Social Care Total		82,691	93,436	10,745
Children's Services	Children in Care	53,231	59,091	5,860
	Childrens Safeguarding	3,564	3,302	(262)
	Fieldwork & Family Support	11,681	12,057	376
	Children's Services Intergration	2,445	2,215	(230)
	Central Education Services	847	847	0
	Community / Adult Learning	300	300	(0)
	Inclusion Service	(428)	(428)	0
	Learning Services	257	258	1
	Learning Services - Early Years	(194)	(194)	(1)
	Post 16 Service	44	45	1
	School Support Services	76	36	(39)
	SEND Services	7,938	8,006	68
	Skills and Employment	84	84	(0)
	Early Help	4,408	4,054	(354)
	Troubled Families	1,936	1,824	(111)
Children's Services Total		86,189	91,498	5,308
Public Health	Public Health (Client and Delivery)	20,324	20,202	(122)
	Leisure Services	3,379	3,332	(46)
Public Health Total		23,703	23,534	(169)
Place	Building Control	69	400	331
	Strategic Planning	18,015	18,010	(5)
	Development Control	70	(46)	(115)
	Housing Delivery	296	286	(10)
	Facilities Management	609	711	102
	Corporate Estates	37	1,616	1,579
	Property Services	(1,103)	(1,546)	(444)
	Town Centre	569	2,706	2,137
	Creating a Better Place	(253)	(253)	0
	Structures	141	141	0
	Operations	1,918	1,707	(211)
	Traffic Management & Maintenance	1,870	1,838	(32)
	Parking Admin & Enforcement	(987)	(958)	29
	Health & Safety	291	289	(2)
	Environmental Health	1,027	974	(53)
	Licensing & Trading Standards	(6)	63	69
	First Response	(155)	851	1,006
	Street Lighting	4,316	4,258	(58)
	Waste & Cleansing	24,643	26,017	1,374
	Parks / Ground Maintenance	4,965	5,055	89
	Arboriculture	588	587	(1)
	Emergency Planning	62	129	67
	Fleet	(252)	(255)	(2)
	Community Safety & Cohesion	650	566	(84)
	Districts	1,171	1,107	(63)
	Culture	6,393	6,379	(14)
	Youth Services	848	865	17
	Housing Needs	7,495	7,369	(126)
Place Total		73,286	78,865	5,578

DIRECTORATE	SERVICE AREA	Qtr 2 Annual Budget £000	Qtr 2 Annual Forecast £000	Annual Forecast Variance £000
Resources	Partnership Support (Borough and GM)	1,829	1,829	0
	Strategic Customer Service	256	256	0
	Chief Executive Management	2,231	2,209	(22)
	Communications and Research	587	536	(50)
	Customer Services	1,991	2,004	13
	ICT	5,951	5,951	0
	Democratic and Civic Services	324	384	60
	Audit	2,543	2,522	(21)
	Commissioning and Procurement	633	445	(188)
	Democratic and Civic Services	472	440	(32)
	External Funding	(27)	(27)	(0)
	Finance	2,759	2,580	(180)
	Housing Benefit Payments	393	393	0
	Revenues and Benefits	4,400	4,400	(0)
	Transformation and Reform	259	(55)	(315)
	HR Strategy	2,850	2,619	(231)
	Organisational Development	416	416	0
	Democratic and Civic Services	2,444	2,418	(25)
	Legal	1,863	2,553	690
	Registrars	(87)	(143)	(57)
	Strategy and Performance	1,369	1,357	(12)
Resources Total		33,457	33,087	(370)
Capital Treasury and Technical Accounting	Corporate Expenses	11,978	11,978	0
	Interest and Investment Expenditure and Income	11,305	11,305	0
	Corporate and Democratic Core	1,003	1,003	0
	Parish Precepts	400	400	0
Capital Treasury and Technical Accounting Total		24,686	24,686	0
Grand Total		324,012	345,106	21,094

ANNEX 2

CAPITAL INVESTMENT PROGRAMME 2025/26- 2029/30 & 2025/26 MONITORING REPORT Month 6 (September)

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 6 (September 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 2029/30, 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
Resources/Information Technology (IT)	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

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)

- 2.2 Following the 2025/26 M05 report which was approved at Cabinet on 20 October 2025, the 2025/26 Capital Programme has been revised to reflect any additional funding and/or anticipated reprofiling.

Realignment of Schemes

- 2.3 Six school boiler replacement schemes totalling £0.326m have been taken from Children's services and assigned to the Corporate Assets service.
- 2.4 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 2 together with the projected financing profile.

Table 2 – 2025/26 to 2029/30 Current Capital Programme (all years)

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	4,646	3,000	3,500	-	-	11,146
Children's Services	6,247	7,786	6,456	2,184	-	22,673
Communities	245	-	-	-	-	245
Heritage, Libraries and Arts	491	-	-	-	-	491
Place	101,660	17,738	15,531	1,955	-	136,884
Housing Revenue Account (HRA)	1,403	7,195	2,220	215	219	11,252
Resources/Information Technology (IT)	3,956	2,137	2,595	1,877	-	10,565
Capital, Treasury & Technical Accounting	3,600	2,640	4,374	2,500	5,000	18,114
Funding for Emerging Priorities	-	2,577	2,000	2,506	-	7,083
Grand Total	122,248	43,073	36,676	11,237	5,219	218,453

Funding	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	TOTAL £000
Grant & Other Contributions	(81,174)	(21,345)	(16,114)	(780)	-	(119,413)
Prudential Borrowing	(34,026)	(16,970)	(18,260)	(7,933)	(3,000)	(80,189)
Revenue Contributions	(1,486)	(2,195)	(210)	(215)	(219)	(4,325)
Capital Receipts	(5,562)	(2,563)	(2,092)	(2,309)	(2,000)	(14,527)
Grand Total	(122,248)	(43,073)	(36,676)	(11,237)	(5,219)	(218,453)

- 2.5 This leaves the revised 2025/26 capital programme at £122.248m compared with the M05 position presented to Cabinet of £122.222m, an increase of £0.026m between Month 5 and Month 6 which has been approved as part of other decision processes within September – as below:

Schemes/Funding	£m
New Disabled Facilities Grant Contributions	0.026
Total	0.026

- 2.6 As a result of the approved movements since the last reporting period the current 2025/26 Programme is presented in Table 3 by Directorate below.

Table 3 – Current year

Directorate Budget	Capital Strategy 2025-30 £000	Revised Budget (M05) £000	Approved Virements (M06) £000	Proposed Virements (M06) £000	Current Budget (M06) £000	Spend to M06 £000
Community Health and Adult Social Care	4,106	4,620	26	-	4,646	1,325
Children's Services	10,482	6,573	(326)	-	6,247	801
Communities	338	245		-	245	-
Heritage, Libraries and Arts	-	491		-	491	458
Place	80,617	101,334	326	-	101,660	22,866
Housing Revenue Account (HRA)	3,193	1,403		-	1,403	1
Resources/Information Technology (IT)	3,165	3,956		-	3,956	522
Capital, Treasury & Technical Accounting	3,600	3,600		-	3,600	-
Funding for Emerging Priorities	3,000	-		-	-	-
Grand Total	108,501	122,222	26	-	122,248	25,973

2.7 Given that this is the position as at Month 6 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.

2.8 Actual expenditure to 30 September was £25.973m (21.2% of the proposed forecast outturn). This spending profile is lower than last years (31.3%). The position will be kept under review and budgets will be managed in accordance with forecasts.

Capital Receipts

2.9 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 £0.503m, the first call being the £2.600m outlined above.

2.10 The capital receipts position as at 30 September 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	(503)	
Identified in year capital receipts	(4,520)	
Anticipated shortfall in 2025/26		539

2.11 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 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.

- 2.12 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 2. 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	-	539	(4,488)	(4,936)	(2,883)
Identified Capital Receipts	(4,520)	(7,590)	(2,540)	(256)	-
Received in year	(503)				
Total Receipts	(5,023)	(7,051)	(7,028)	(5,192)	(2,883)
Capital Receipts Financing Requirement	5,562	2,563	2,092	2,309	2,000
Over/(Under) programming	539	(4,488)	(4,936)	(2,883)	(883)

- 2.13 The capital receipts forecast (across all years) is currently higher than the required amount. Since this is the Month 6 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

- 2.14 In accordance with previous practice, there is once again a review of the capital programme over the summer months and this is still continuing (the Annual Review). This review 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 6 - Community Health and Adult Social Care
- Appendix B - SUMMARY – Month 6 - Children’s Service
- Appendix C - SUMMARY – Month 6 - Communities
- Appendix D - SUMMARY – Month 6 - Heritage, Libraries and Arts
- Appendix E - SUMMARY – Month 6 - Place
- Appendix F - SUMMARY – Month 6 - Housing Revenue Account (HRA)
- Appendix G - SUMMARY – Month 6 - Corporate/Information Technology
- Appendix H - SUMMARY – Month 6 - Capital Treasury and Technical Accounting
- Appendix I - SUMMARY – Month 6 - Funding for Emerging Priorities

SUMMARY – Month 6 (September 2025) - Community Health and Adult Social Care**APPENDIX A**

Service area	Original Budget	Revised Budget (M05)	Approved Virements (M06)	Proposed Virements (M06)	Revised Budget (M06)	Expend to M06
Adult Services	4,106	4,620	26	-	4,646	1,325
Community Health and Adult Social Care Total	4,106	4,620	26	-	4,646	1,325

SUMMARY – Month 6 (September 2025) – Children’s Services**APPENDIX B**

Service area	Original Budget	Revised Budget (M05)	Approved Virements (M06)	Proposed Virements (M06)	Revised Budget (M06)	Expend to M06
Children, Young People and Families (CYPF)	1,000	1,378	-	-	1,378	238
Schools - General Provision	6,473	2,368	-	-	2,368	269
Schools – Primary	-	1,201	(326)	-	875	71
Schools – Secondary	3,009	1,608	-	-	1,608	201
Schools – Special	-	18	-	-	18	2
Schools – New Build	-	-	-	-	-	20
Children’s Services Total	10,482	6,573	(326)	-	6,246	800

SUMMARY – Month 6 (September 2025) – Communities**APPENDIX C**

Service area	Original Budget	Revised Budget (M05)	Approved Virements (M06)	Proposed Virements (M06)	Revised Budget (M06)	Expend to M06
Local Investment Fund	338	245	-	-	245	-
Communities Total	338	245	-	-	245	-

SUMMARY – Month 6 (September 2025) – Heritage, Libraries and Arts**APPENDIX D**

Service area	Original Budget	Revised Budget (M05)	Approved Virements (M06)	Proposed Virements (M06)	Revised Budget (M06)	Expend to M06
Heritage, Libraries and Arts	-	491		-	491	458
Heritage, Libraries and Arts Total	-	491		-	491	458

SUMMARY – Month 6 (September 2025) – Place**APPENDIX E**

Service area	Original Budget	Revised Budget (M05)	Approved Virements (M06)	Proposed Virements (M06)	Revised Budget (M06)	Expend to M06
Asset Management – Corporate Premises	2,670	4,336	-	-	4,336	1,054
Asset Management - Education Premises	1,148	1,707	326	-	2,033	346
Boroughwide Developments	28,177	26,904	-	-	26,904	10,134
Boroughwide District Projects	17	27	-	-	27	-
Cemeteries and Crematorium	-	-	-	-	-	7
Countryside	80	39	-	-	39	2
Parks	13	897	-	-	897	446
Playing Fields & Facilities	-	49	-	-	49	-
Parks & Playing Fields	11	11	-	-	11	
Private Housing	5,677	12,246	-	-	12,246	38
Strategic Acquisitions	1,647	2,147	-	-	2,147	853
Town Centre Developments	27,593	27,812	-	-	27,812	7,036
Transport - Accident Reduction	744	1,013	-	-	1,013	220
Transport - Bridges & Structures	4,107	9,484	-	-	9,484	538
Transport - Fleet Management	175	248	-	-	248	-
Transport - Highway Major Works/Drainage schemes	8,498	13,673	-	-	13,673	2,052
Transport - Minor Works	60	632	-	-	632	103
Miscellaneous	-	109	-	-	109	37
Place and Economic Growth Total	80,617	101,334	326	-	101,660	22,866

SUMMARY – Month 6 (September 2025) - Housing Revenue Account (HRA)**APPENDIX F**

Service area	Original Budget	Revised Budget (M05)	Approved Virements (M06)	Proposed Virements (M06)	Revised Budget (M06)	Expend to M06
Housing Revenue Account	3,193	1,403	-	-	1,403	1
HRA Total	3,193	1,403	-	-	1,403	1

SUMMARY – Month 6 (September 2025) – Resources/Information Technology (IT)**APPENDIX G**

Service area	Original Budget	Revised Budget (M05)	Approved Virements (M06)	Proposed Virements (M06)	Revised Budget (M06)	Expend to M06
Information Technology	3,165	3,956	-	-	3,956	522
Information Technology Total	3,165	3,956	-	-	3,956	522

SUMMARY – Month 6 (September 2025) – Capital Treasury and Technical Accounting**APPENDIX H**

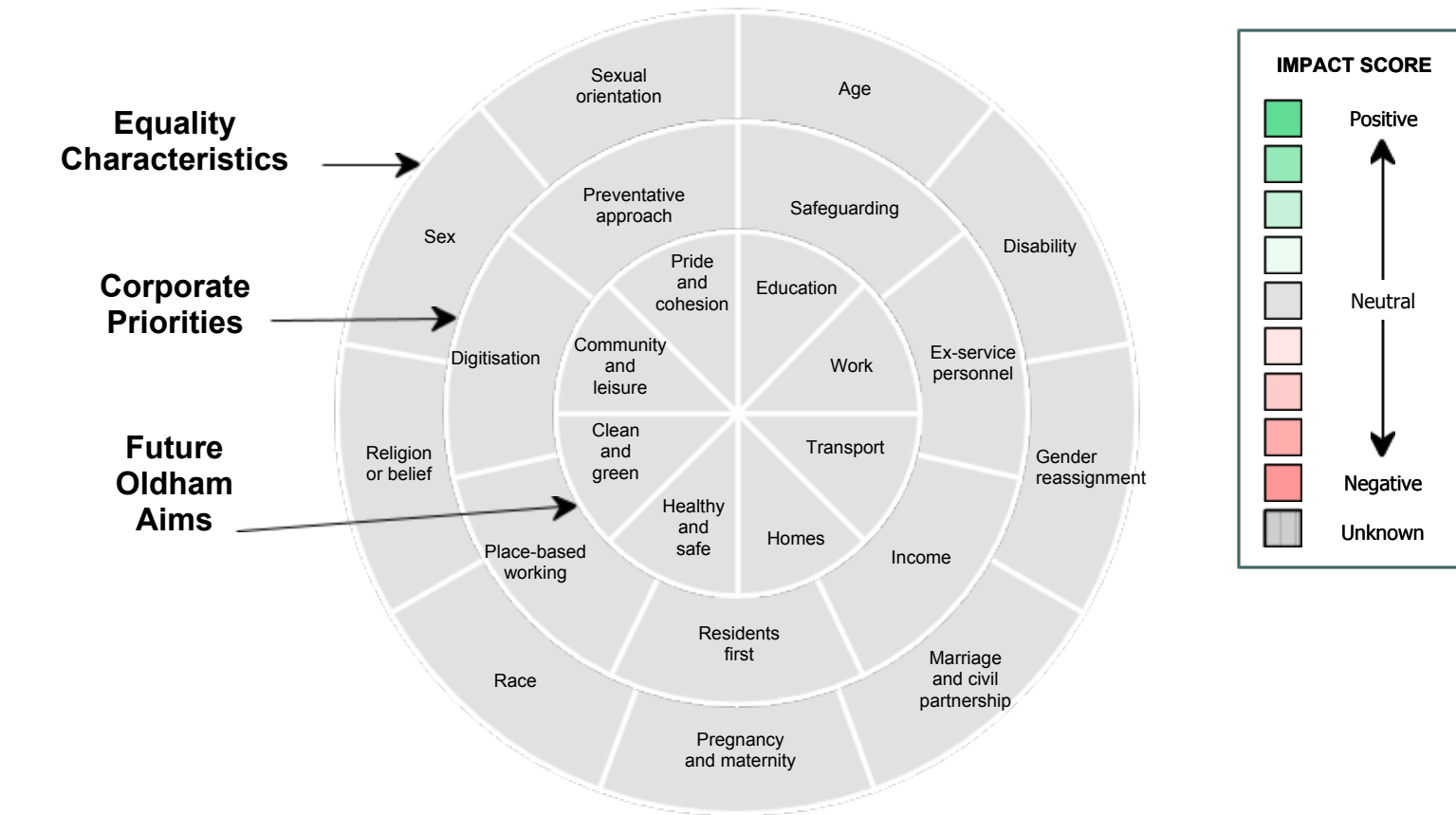
Service area	Original Budget	Revised Budget (M05)	Approved Virements (M06)	Proposed Virements (M06)	Revised Budget (M06)	Expend to M06
Cross Cutting /Corporate	3,600	3,600	-	-	3,600	-
Capital Treasury and Technical Accounting Total	3,600	3,600	-	-	3,600	-

SUMMARY – Month 6 (September 2025) - Funding for Emerging Priorities**APPENDIX I**

Service area	Original Budget	Revised Budget (M05)	Approved Virements (M06)	Proposed Virements (M06)	Revised Budget (M06)	Expend to M06
Funding for Emerging Priorities	3,000	-	-	-	-	-
Funding for Emerging Priorities Total	3,000	-	-	-	-	-

TOTAL	108,501	122,222	26	-	122,248	25,973
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Annex 3 - EIA: Financial Monitoring 25/26 (Mth 6)



Annex 3- EIA: Financial Monitoring 25/26 (Mth 6)				
	Impact	Likelihood	Duration	Comment
Equality Characteristics				
Age	Neutral	Possible	Short Term	The report considers the 2025/26 financial position of the Council at Month 6 (30 September 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 Month 6 (30 September 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 Month 6 (30 September 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