

Report to Cabinet

Revenue Monitor and Capital Investment Programme 2026/27 Quarter 1 – June 2026

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Report Author: Vickie Lambert, Finance Manager

Reason for Decision

The report provides Cabinet with an update as at 30 June 2026 (Quarter 1) of the Council's 2025/26 forecast revenue budget position and the financial forecast of the Dedicated Schools Grant (at Annex 1) alongside the financial position of the capital programme together with the revised capital programme 2026/27 to 2030/31 (at Annex 2).

Executive Summary

Revenue Position

The forecast adverse position for 2026/27 at the end of Quarter 1 is estimated to be **£5.452m**. It must be noted that as part of the approved Budget for 2026/27 the Council approved a volatility base budget provision of £2.500m. The release of this provision will be accessed over the course of the financial year. If this base budget provision was released in Quarter 1, this would reduce the overall position down to a projected adverse position of £2.952m.

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 2025/56 across all service areas have continued into this new financial year with services putting in place further mitigations to reduce the in-year pressure identified. Forecasts included within this report rely on these enhanced controls and service reviews being in place and it is important that these remain throughout the financial year to assist the financial position and bring the Council to a balanced position by

the end of the financial year, reducing any use of reserves and protecting its financial resilience. Details are included in Annex 1 of this report.

Information on the forecast year end position of the Dedicated Schools Grant (DSG) is also outlined in the report.

Capital Position

The report outlines the most up to date capital spending position for 2026/27 to 2030/31 for approved schemes. The revised Capital Programme budget for 2026/27 is £106.775m at the close of Quarter 1 which incorporates additional funding received. Actual expenditure to 30 June 2026 was £9.432m (8.83% of the forecast outturn). Details are included in Annex 2 of this report.

Recommendations

That Cabinet:

1. Notes the contents of the report.
2. Notes the forecast revenue position at the end of Quarter 1 at £5.452m as detailed at Annex 1.
3. Notes the forecast position for the Dedicated Schools Grant as at the end of Quarter 1.
4. Approves the revised Capital Programme for 20256/27 including the proposed virements and notes the forecast for the financial years to 2030/31 as at the end of Quarter 1 as outlined in Annex 2.

Revenue Monitor and Capital Investment Programme 2026/27 Quarter 1 – June 2026

1 Background

- 1.1 The Authority's 2026/27 revenue budget was approved by Council on 4 March 2026 at a sum of £368.053m 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 continued into this new financial year and that were 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 June 2026 highlights some 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 1 controllable budget is £5.452m. Close financial management continues at all levels of the organisation with controls put in place during 2025/26 continued into this financial year to mitigate this position, to limit the impact on setting the budget for 2027/28 and reduce any unbudgeted use of general revenue reserves.
- 2.2 The main areas of concern identified within this monitoring report are:
- Adult Social Care forecasting an unfavourable position of £2.048m to the financial year end;
 - Children's Services with an unfavourable position of £1.939m; and
 - Place with an unfavourable position of £1.668m to the end of March 2026.
- 2.3 The forecast revenue position reported is before any release of the £2.500m Council-wide volatility base budget which was established as part of the 2026/27 budget setting process to offset the financial impact of variances in demand across statutory services. For Quarter 1, this provision has not been released. It must be noted that if this base budget provision was released, this would reduce the overall position down to a projected adverse position of £2.952m.
- 2.4 Enhanced spending controls across recruitment and expenditure were implemented by Senior Leaders during the previous financial year as a response to the significant adverse variances that had been reported. These controls have been continued into 2026/27 and must remain in place to ensure that the pressured financial position the Council is reporting is kept to an absolute minimum or brought down to a balanced position by the financial year close.
- 2.5 Any deficit position on the revenue account will have to be met from the use of revenue reserves. Within the Council's approved Reserves Policy agreed at Budget Council in March 2026, a risk reserve was established which created further financial resilience for the revenue budget with regard to volatility. Whilst the use of reserves should be kept to a minimum, this resource provides the required resources to

balance the revenue budget from reserves set aside for this purpose, rather than the use of general revenue usable reserves if needed.

- 2.6 The in-year deficit forecast position for the Dedicated Schools Grant (DSG) at the end of Quarter 1 is £27.302m. Announced in February 2026, a new High Needs Stability Grant will be paid to Councils at up to 90% of the overall closing 2025/27 DSG deficit. This payment is expected around October 2026 and is reliant on the submission and approval from Government of a SEND Reform Plan, and the DSG financial position included within the Council's Statement of Accounts and Section 251 return. The Council has submitted all the required. Details of this position are included within Annex 1.
- 2.7 The original Capital Programme for 2026/27 totalled £102.464m. The revised capital programme as at the end of Quarter 1 taking into account any carry forwards and approved new funding variations gives projected revised expenditure of £106.775m. Actual expenditure at the end of Quarter 1 was £9.432m (8.83% of the forecast outturn). Further details of expenditure and schemes within the capital programme can be found in Annex 2.

3 Options/Alternatives

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

4 Preferred Option

- 4.1 The preferred option is that Cabinet 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 as a result of the budget monitoring reports directly.

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 TBC

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
Officer Name: Lee Walsh and Vickie Lambert
Contact: lee.walsh@oldham.gov.uk / vickie.lambert@oldham.gov.uk

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

Officer Name: James Postle
Contact No: james.postle@oldham.gov.uk

21 Appendices

Annex 1 Revenue Budget Monitoring Report 2026/27 Quarter 1 – June 2026

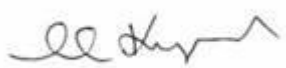
Appendix 1 2026/27 Directorate Summary Financial Positions at 30 June 2026
Appendix 2 Budget Savings by Directorate 2026/27

Annex 2 Capital Investment Programme Report 2026/27 Month 3 – June 2026

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 – Resources / Information Technology
Appendix H SUMMARY – Month 3 – Capital, Treasury and Technical Accounting
Appendix I SUMMARY – Month 3 – Funding for Emerging Priorities

Annex 3 Equality Impact Assessment- Financial Monitoring 26-27 (Qtr 3)

Approved by the Chief Executive following consultation with the political group leaders. Decision made under the authorisation contained in Section 9C – Delegations to Specific Officers of Part 3 (Responsibility for Functions) of the Council Constitution for the Chief Executive to take any emergency decisions in respect of the Council's executive functions.

Signed: 
Shelley Kipling, Chief Executive

Dated: 25 August 2026

Date of Group Leaders meeting

24 August 2025