

## TRAFFORD COUNCIL

**Report to: Executive**

**Date: 16<sup>th</sup> September 2024**

**Report for: Information**

**Report of: Executive Member for Finance, Change and Governance and the  
Director of Finance and Systems**

**Report Title:**

**Budget Monitoring 2024/25 Period 4 (April 2024 to July 2024)**

### **Summary:**

The purpose of this report is to inform Members of the 2024/25 projected outturn figures relating to both Revenue and Capital budgets.

It also summarises the projected outturn position for Council Tax and Business Rates.

The report is divided into three parts:

- **Part 1** – Provides at “At a Glance” high level summary of the key aspects of the budget monitoring position.
- **Part 2** – An Executive Narrative of the Projected Outturn and Outlook
- **Part 3** – A list of annexes containing specific detail on the individual directorate positions, capital programme, savings programme and schools’ budgets.

### **Recommendation(s)**

**It is recommended that the Executive:**

- a) Note the report and the estimated revenue outturn position showing a budget overspend of £4.21m, an adverse movement of £1.97m from Period 2.
- b) Note the update on the three-year Capital Programme as detailed in Section 6 and Annex 3.
- c) Note the reallocation of resources to deal with issues identified at Stretford Library (Annex 3)
- d) Note the use of reserves to supplement capital works at Covershaw Lane (Annex 3)
- e) Approve the increase in grant level for Homeowner grants (Annex 3)
- f) Note the management actions and mitigating actions as detailed in Paragraph 2 of Part 2 in the delivery of a balanced budget and effective financial management.

**Contact person for access to background papers and further information:**

Name :David Muggeridge, Head of Financial Management  
Extension: 4534

Background Papers: None

CORPORATE PRIORITIES AND GOVERNANCE CONSIDERATIONS	
Reducing Health Inequalities	Non arising out of this report
Supporting People out of Poverty	Non arising out of this report
Addressing our Climate Crisis	Non arising out of this report
Relationship to GM Policy or Strategy Framework	Expenditure is aligned to meet the priorities with the Corporate Plan which is aligned to the GM policy and strategy where required.
Financial Considerations	It is the responsibility of the Executive to operate within the budgetary framework set by the Council when it agreed the budget for 2024/25 at the Council Meeting on 21 February 2024.  Revenue and capital expenditure to be contained within available resources in 2024/25.
Legal Implications:	Non arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable
Socioeconomic duty Implications	Not applicable

## PART 1 - At a Glance Executive Summary

This Period 4 report provides an “At a Glance Executive Summary” which focuses on a high level summary of the estimated outturn. Supporting annexes provide detailed explanations and movements.

### At a Glance Sections

- Section 1 - Revenue Service Budget Outturn and Variance
- Section 2 - Revenue Funding General Fund Budget Outturn and Variance
- Section 3 - Collection Fund – Business Rates and Council Tax
- Section 4 - Earmarked Reserve movements
- Section 5 - Delivery of in-year savings programme
- Section 6 - Capital and Asset Investment Programme and Prudential Indicators
- Section 7 - Dedicated Schools Grant Outturn

## Total Revenue Budget 2024/25

Approved Revenue Budget

**£217.99m (\*)**

Projected Outturn at Period 4

**£4.21m Overspend**

Movement since Prior Period

**£1.97m Adverse**

(\*) The Net Revenue Budget increased since that agreed in February 2024 at Council from £217.83m to £217.99m as a result of a late notification of an increase in the Public Health Grant allocation of £157k. Full Council also approved delegated authority to the Director of Finance and Systems to vary the net Revenue Budget for any changes in the assumed level of this grant.

## Section 1- Revenue Service Budget

### Revenue Service Budget 2024/25

Approved Revenue Service Budget

**£217.99m**

Projected Outturn at Period 4

**£4.21m Overspend**

Comprising of

Overspend on Directorate Budgets

**£3.54m**

Overspend on Council Wide

**£665k**

Movement since Prior Period

**£1.97m Adverse**

Revenue Service Totals	2024/25 Budget £000	Projected Outturn £000	Full Year Variance £000	Change from Prior Period £000
Children's Services	55,866	56,238	372	62
Adult Services	59,341	60,645	1,304	543
Public Health	13,684	13,508	(176)	(176)
Place	37,933	39,743	1,810	34
Strategy & Resources	10,768	10,787	19	(30)
Finance & Systems	10,466	10,354	(112)	(91)
Legal & Governance	4,047	4,374	327	247
<b>Total Directorate</b>	<b>192,105</b>	<b>195,649</b>	<b>3,544</b>	<b>589</b>
Council-wide budgets	25,885	26,550	665	1,385
<b>Total Budget</b>	<b>217,990</b>	<b>222,199</b>	<b>4,209</b>	<b>1,974</b>

<b>Directorate Budgets</b>	<b>Variance £000</b>	<b>Movement from Prior Period</b>
Children's placements	680	355
Children's Home to School Transport	(126)	(35)
Running costs – S17 payments (Childrens)	154	24
Children's income	(234)	46
Adults' demand	135	(335)
Adults' running costs	317	26
Staffing (Childrens, Adults, Public Health)	(157)	(339)
Staffing (all other areas)	(1,053)	(112)
General efficiency target (Place and Central)	1,009	0
Strategic Property	1,090	0
Energy costs	(99)	60
Planning income	247	(41)
Building control income	224	0
Projected underachievement of savings	1,082	852
Other	275	88
<b>Directorate Budget Sub-Total</b>	<b>3,544</b>	<b>589</b>
<b>Council Wide</b>		
Treasury Management	(746)	(26)
Inflation 24/25 pay award	48	0
Contribution from Inflation Risk Reserve	(48)	0
Housing Benefit/Temporary Accommodation	1,603	1,603
Contribution from Housing Benefit Risk Reserve	(403)	(403)
Council Wide Other	211	211
<b>Council Wide Sub-Total</b>	<b>665</b>	<b>1,385</b>
<b>Net Service Budgets</b>	<b>4,209</b>	<b>1,974</b>

Further details on individual directorate positions are included at **Annex 1**.  
A summary of major variances is included in the Executive Summary in **Part 2**.

## Section 2 – Revenue Funding Budget – General Fund

### Revenue Funding Budget 2024/25

Approved Revenue Funding Budget  
Business Rates £84.18m  
Council Tax £128.23m  
Reserves £5.58m

Outturn at Period 4  
Business Rates on budget  
Council Tax on budget  
Reserves on budget

**Total £217.99m**

**Nil variance**

Movement since prior Period

**Nil**

The Revenue Funding General Fund Budget comprises of income from Business Rates, Council Tax and Reserves.

The General Fund budgets for Business Rates and Council Tax are fixed at the beginning of the year. In-year income from Business Rates and Council Tax is monitored through the Collection Fund (see next section). Any surplus or deficit on the Collection Fund is either distributed or collected in the following financial year. The Business Rate and Council Tax Risk Reserves are available to smooth the impact if a deficit is forecast.

## Section 3 – Collection Fund Business Rates and Council Tax

### Business Rates and Council Tax

#### Total Budget

Business Rates £84.18m

Council Tax £128.23m

#### Business Rates

Outturn nil variance

#### Council Tax

Outturn nil variance

#### Council Tax

The Period 4 monitor reports a nil variance outturn. In 2023/24 there was an in-year pressure due to a high volume of discount and exemption cases. Consequently, the budget for 2024/25 was increased which appears to be sufficient as the number of discount and exemption cases is broadly in line with budget.

It is possible there may be a favourable variance on Council Tax Support, however this may be due to a backlog in cases. A detailed review of Council Tax Support will be undertaken and a position will be reported at Period 6.

#### Business Rates

As in previous years, there is a significant risk in forecasting the temporary pressures caused by delays in major refurbishments, changes and new sites at the Trafford Centre. The Business Rate Risk Reserve will be utilised should the need arise, to smooth any timing issues in the delivery of benefits and to mitigate any unforeseen risk.

## Section 4 – Earmarked Reserves

### Earmarked Reserves

Opening Balance April 2024

**£79.90m**

Estimated Balance March 2025

**£61.14m**

Estimated decrease in the year

**£18.76m**

A detailed update on reserves was provided in the Period 12 outturn for 2023/24 and a detailed review will be undertaken again in preparation of the draft 2025/26 budget later in the year.

The decrease is largely due to the planned use of Budget Support Reserve and planned smoothing of benefits from Business Rates for 2024/25.



## Section 5 – Delivery of in-year savings programme

### Savings Programme 2024/25

Savings Target

**£6.55m**

Forecast Savings

**£5.56m (83%)**

Forecast Outturn Below Target by

**£1.08m**

Further details in **Annex 2**

There are 24 savings schemes with a savings target of £6.55m. Within the Period 2 budget monitor 14 of these savings with a value of £3.73m were classified as amber rated, whereby management action was still required to achieve delivery of the saving. Exception reports have been presented to Finance and Change Board but at this point there is some concerns about the deliverability of the full extent of the savings programme.

At this stage a prudent assumption is that approximately £1.08m of the programme is unlikely to be delivered in 2024/25; as part of the exception reporting, consideration will be focused on what mitigating actions can be implemented.

Period 4 forecasts indicate 6 schemes will fall short of this target by £1.08m (17%):

- Place - Strategic Estates - £230k
- Adults - Bad debt provision - £50k
- Adults - Reduction in demographic growth budget - £200k
- Adults - Living your best life - £290k
- Adults - Reablement review - £200k
- Adults - Carer resilience - £112k

## Section 6 – Capital Programme

### Capital Programme 2024/2027

Capital Programme 2024/27 at P2  
**£192.81m**

Revised Capital Programme 2024/27 at P4  
**£193.24m**

Increase in 2024/27 programme  
**£430k**

- Additional library improvement grant funding of £360k for Sale Library.
- A small number of additional section 106 contributions totalling £20k.
- Removal of £50k of funding for solar panel installation works at schools now being funded utilising Schools Devolved Formulae Capital funding.
- Total works of £150k to be undertaken at Covershaw Lane, Partington, in part funded by a £50k virement from the serviceability budget within current approved highways capital programme and an additional £100k identified from earmarked reserves relation to the One Trafford Partnership.

### 2024/25 Performance to Date and Funding

	2024/25 P4 Revised Budget £m	2024/25 P4 Actuals £m	Performance Against Budget £m
Children's Services	12.48	1.19	9.51%
Adult Social Care	3.76	1.12	29.68%
Place	53.72	10.22	19.02%
Governance and Community	0.11	0.00	0.00%
Finance & Systems	3.04	0.57	18.80%
<b>General Programme Total</b>	<b>73.11</b>	<b>13.09</b>	<b>16.68%</b>
Grants	44.42		
External Contributions	4.77		
Revenue and Reserves	3.75		
Prudential Borrowing	12.86		
Forecast Capital Receipts	4.19		
Deficit (in year)/Overprogramming	3.12		
<b>Overall Funding</b>	<b>73.11</b>		

#### Specific Scheme Update

- Stretford library requires works to manage health and safety issues costing £40k this will be funded by virement from previously approved Watling Gate scheme of £160k.
- Covershaw Lane, Partington has been fully closed due to its condition. An initial £150k has been identified from the current programme and existing reserves for this work.
- Approval sought to increase homeowner grant levels for essential works from £3k to £6k.

### Prudential Indicators

Currently the Council are operating within the approved boundaries agreed by Council in February, with further details on the specific Prudential indicators within Annex 3

## Section 7 – Schools Related Expenditure

### Dedicated Schools Grant

Schools, Central and Early Years Blocks - Forecast Underspend £415k  
High Needs Block - Forecast Overspend £10.72m

Total Outturn  
£10.31m adverse

#### DSG Reserve

Combined Deficit brought forward April 2024 overdrawn £9.72m  
Of which High Needs overdrawn £11.16m  
Estimated combined deficit at year end £20.03m  
Of which High Needs overdrawn £21.89m

Details in **Annex 1**

**Schools Related Expenditure (Dedicated Schools Grant is a separate ring-fenced account and not part of general outturn detailed above)** – There is a net in year overspend across all four grant blocks of £10.31m. An overspend of £10.72m in the High Needs Block has been offset by an underspend of £415k on the remaining blocks.

The overspend in 2024/25 will result in a year end accumulated DSG deficit of £20.03m, consisting of a High Needs deficit of £21.89m, offset by a surplus on other blocks of £1.86m.

It is expected that LA's balance their in-year spending by 2025/26, it is unlikely that Trafford will be able to do that. In addition, it is not sustainable for the Council to carry the deficit as it is having significant impact on the Council's cash flow. It is estimated to cost the Council £1m in lost interest/additional borrowing costs.

The statutory override for the accumulated DSG ends from 1st April 2026, which means that if this is not extended, the deficit will transfer back to the Council's total General Fund Earmarked Reserves. This situation cannot go unresolved and positive action is needed to provide a solution to this growing national problem.

Work continues to take place on the DSG deficit management plan with proposals and options being discussed with the DfE. Work continues with the High Needs sub-group on a range of mitigations. There will be a dedicated finance session in the Autumn where learnings from Delivering Better Value and Safety Valve Authorities will be used to challenge our deficit management plan.

# PART 2 – Executive Narrative Summary of Estimated Outturn and Outlook

## Revenue Outturn Summary

1. **There is a net projected outturn overspend of £4.21m for the year, an adverse variance of £1.97m from Period 2.**
  - 1.1. As with previous early period monitoring reports, a cautious approach is generally taken when preparing forecasts. Assumptions are made that vacant positions will be filled successfully, which as the year progresses does not always transpire. Likewise, the contingency budgets, held within service areas and Council Wide are released with caution in the early stages of the year.
  - 1.2. This Period 4 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 outturn overspend of £4.21m demonstrates that close financial management is needed during 2024/25 considering the already significant budget gap in the Medium Term Financial Plan for 2025/26 and the limited earmarked reserves. The main areas of concern identified in the Period 4 monitor are:
    - Asset Investment Strategy £1.09m (shortfall in income compared to target). Investments are forecast to generate a net benefit to the revenue budget in 2024/25 of £4.94m, which is a shortfall of £1.09m against the net budget of £6.04m
    - £1.08m projected underachievement of savings
    - £0.68m Children's placements
    - £1.20m Temporary Accommodation Pressure
    - £0.16m various areas (incl. shortfall in Planning and Building Control income)
  - 1.3. A projection of £1.08m for underachievement of savings is a significant concern as it not only causes financial pressure in 2024/25 but the pressure is also likely to cascade into future years. In addition, a further £2.60m of savings are classified as Amber in terms of risk of delivery. It is crucial that savings are carefully monitored, and robust actions are put into place to ensure all savings are delivered in full. To aid the delivery of savings detailed progress and exception reports will be presented on a regular basis to the Finance & Change Board.
  - 1.4. On a positive note, Children's Home to School Transport is forecasting £126k favourable variance which suggests the additional £1.5m added to the budget in 2024/25 is sufficient.
  - 1.5. The increasing deficit on the High Needs Block within the schools DSG budget continues to be an area of particular concern. Combining the estimated in year overspend of £10.72m with the brought forward deficit of £9.72m results in an estimated High Needs Block deficit of £21.89m. It is expected that LA's balance

their in-year spending by 2025/26 and it is unlikely that Trafford will be able to do that. This is a national issue and work continues to take place on the DSG deficit management plan with proposals and options being discussed on a regular basis with the DfE. Although it is currently treated as an issue held outside of the Council's General Fund until 1<sup>st</sup> April 2026, the fact that the Council has been required to direct its own cash resources to make up the shortfall in grant is having an adverse impact on cashflow and investment returns.

- 1.6. Regarding the net outturn position, the following issues are worthy of being highlighted along with issues to consider on their impact on future plans:

**Service underspends include:**

- **Treasury Budget - £746k underspend**, £26k favourable variance from Period 2. The Council has managed its cash balances to delay the need to borrow while investing any surplus cash to generate investment income to support the revenue budget.
- **Staffing budgets net forecast underspend of £1.210m**, £451k favourable variance from Period 2. This is due to some management controls on non-frontline service recruitment and service restructures. This underspend was a significant factor in the overall favourable outturn in the last financial year and it is possible that this figure will increase further as the year progresses due to difficulties in recruitment. Whilst significant underspends on staffing budgets are welcomed from a finance perspective, they should not become a recurrent theme if the recruitment exercises are successful.
- **Home to School Transport - £126k underspend**, £35k favourable variance from Period 2. Following a significant overspend in 2023/24 £1.5m was added to the 2024/25 budget. At this stage of the year, it appears the additional budget is sufficient to cover forecasted costs.
- **Children's Income - £234k favourable**, £46k adverse variance from Period 2. The adverse movement is due to training income not being achieved and reduced income from ICB within Early Help commissioned budgets. It is worth noting that there is £563k of income built into the projections from the ICB, however there is a risk this may not be received due to pressures on ICB budgets.
- **Energy costs - £99k underspend**, £60k adverse movement. This indicates the new contract, energy saving measures and additional resources were sufficient to manage the ongoing impact of an increase in energy costs. The adverse movement is due to one-off backdated bills from prior years.

**Pressures include:**

- **Children's placements £680k overspend**, £355k adverse movement from Period 2 mainly due to new placements, delayed step downs and increase in costs associated with young people on remand. The forecast outturn includes estimated spend of £675k for any new placements but also assumes savings will be made against an identified cohort of

children. Each placement is reviewed monthly at a High-Cost Placement Clinic to ensure that expected savings will be made, RAG ratings are reviewed and reflected in the monitoring position. It is assumed that the £500k savings target will be met.

- **Running costs – S17 payments (Childrens) - £154k overspend**, £24k adverse movement from Period 2. There was a £772k overspend in this budget in 2023/24 and consequently £500k was added to the 2024/25 budget. Managers have been instructed to ensure that authorisation is sought for essential spend only within this area of the budget and close analysis of the spend continues.
- **Adults demand - £135k overspend**, £335k favourable variance from Period 2. This budget remains high in complexity and volatility as it is in part driven by wider system pressures in health in addition to direct adult social care demands. Within this projection there is a contingency of £773k to mitigate rising costs because of increasing complexity of existing clients and demand from new clients.
- **Adults running costs - £317k overspend**, a £26k adverse movement from Period 2. £222k adverse variance in the DOLS service due to increasing demand for external Best Interest Assessments and £95k adverse variance due minor variations across the service budget.
- **General efficiency target - £1.01m**. There is a general service budget efficiency target of £1.09m across Place and Central Services. This efficiency target is to reflect a general expectation that services will underspend in all areas because of vacancy management and reductions in general administration such as travel and stationery supplies.
- **Local Government Pay Award** – It should be noted that the local government pay award negotiations for 2024/25 have not been finalised. The NJC pay claim of 10% compares with an employer offer of a minimum of 2.5% or £1,290. The cost of the employer offer is 4.01% compared with a 4% budget assumption and would result in a **£48k budget pressure which would be met from the Inflation Risk Reserve**. Each additional 1% represents circa +£1.0m. A 10% increase in the pay budget would not be sustainable within the current budget plans.
- **Planning and Building Control Income - £247k** (£41k favourable movement) **and £224k** (no movement) **overspend respectively** due to a shortfall in planning and building control applications.
- **Strategic Investment Programme - £1.09m overspend**. The investments made through the Council's Asset Investment Strategy are forecast to generate a net benefit to the revenue budget in 2024/25 of £4.94m, which is a shortfall of £1.09m against the net budget of £6.04m. This deficit is mainly attributable to the early repayment of the debt facility at Sunlight House, which had been expected to provide £0.72m of net income in year. This facility was repaid early, and in full, after the borrower's option to do so was exercised. The Council will seek additional investment opportunities during the year to recycle repaid funds and generate additional income.

- **Savings not met - £1.08m adverse**, £852k adverse movement from Period 2. Estates savings have been rephased across the next two years with an anticipated shortfall of £230k this year. Work is ongoing to mitigate this pressure, such as from several ongoing business rate appeals. £852k of Adult Social Care savings are not forecast to be met and no mitigating action has been identified at this stage. See Annex 2 for more detail.
- **Housing benefit - £1.20m pressure.** The pressure is largely due to the significant costs associated with B&Bs and temporary accommodation. In 2023/24 there was a £497k overspend which was neutralized by a draw down from the Housing Benefit Risk Reserve. As a result of this, and in anticipation of ongoing increases to the number of B&Bs and other temporary accommodation cases, £400k was added to the 2024/25 budget. Given the demand for temporary accommodation seen since setting the budget, this budget growth is insufficient. On average the volume of B&B accommodation is forecast to be c40% higher during 2024/25. To compound the pressure on the budget other accommodation is being sourced to ensure residents do not remain in B&B units longer than 6 weeks; exceeding this duration gives risk of legal challenge. Current forecasting indicates that the budget will be exceeded by £1.2m, after the application of £400k from the Housing Benefit Risk Reserve but this position is extremely volatile. To control costs a temporary accommodation strategy has been developed which has looked at opportunities to source cheaper accommodation either through leasing, direct property acquisition using prudential borrowing and by utilising external funding, for example the Local Authority Housing Fund. The position will be closely monitored but if costs cannot be controlled further then it is likely to require further budget growth in 2025/26.
- **Other net adverse movements of £275k across all areas**, £88k adverse movement from Period 2. £209k of this pressure is from additional legal fees particularly relating to caseload demand from Social Care.
- **Council Wide Other - £211k overspend**, £211k adverse movement from Period 2. The projected cost of Trafford's share of the South Manchester Coroners' service is currently expected to be £141k higher than budget. This includes a projected one-off cost to Trafford of £77k relating to the planned refurbishment of the Coroner's building in Stockport later this financial year. The remaining pressure of £70k relates to other minor net variances.
- **Other considerations - Contingency Budgets**  
Within the estimated outturn there are several contingency budgets held back to absorb any unforeseen changes in demand for the remainder of the year. Contingency budgets of £675k and £763k remain in Children's and Adults client placement budgets. £1.02m remains of the general Council Wide contingency after £236k of commitments have been made.

## **Revenue Budget Funding and Collection Fund**

### **1.1. Council Tax**

- 1.1.1. At Period 4 it is difficult to forecast a likely outturn given the patterns of cash collection, claims for Council Tax Support and exemptions have not yet matured. Initial reports indicate a nil variance; a detailed update will be provided at Period 6.
- 1.1.2. There is a Council Tax Risk Reserve of £0.28m and should there be any significant shortfall in income it will be utilised to smooth any impact.
- 1.1.3. The ongoing impact of any recurrent shortfall will need to be considered when preparing the 2025/26 budget.

### **1.2. Business Rates**

- 1.2.1. Like Council Tax, it is difficult at Period 4 to forecast an outturn therefore a detailed update will be provided at Period 6.
- 1.2.2. As in previous years, there is a significant risk in forecasting the temporary pressures caused by major refurbishments, changes, and new sites at the Trafford Centre. The Business Rate Risk Reserve will be utilised to smooth any timing issues in the delivery of benefits. Work is continuing to look at the future health of rateable value and how ongoing developments may impact this.

### **1.3. Earmarked Reserves**

- 1.3.1. A full review of all reserves was completed as part of the 2024/25 budget preparations and supplementary review during the 2023/24 closedown and was reported in detail in the final budget report presented to Council in February 2024 and Period 12 Outturn Report. A further update will be provided at the time the draft budget is prepared.

## **2. Summary**

- 2.1. The projection of a £4.21m overspend has potential to impact on the financial sustainability of the Council, given the low level of unallocated reserves. It is therefore imperative that mitigating action is identified to avoid what would be an unplanned use of reserves of £4.21m. The management action undertaken during 2023/24, which included a policy on vacancy management and a review of all non-essential spend, undoubtedly had a positive effect in managing services within the budget. The fact that an adverse outturn is forecast in 2024/25 and there is a substantial budget gap faced over the medium term would indicate that these policies should remain in place for the foreseeable future.
- 2.2. The recommended management actions are as follows:



- The current management action, which included a policy on vacancy management and a review of all non-essential spend will remain in place for the foreseeable future.
- Significant staffing underspends have been evident in the last two financial years and the vacancy factor/general budget efficiency factor was increased to reflect this. As the staffing vacancies are filled, attention needs to be paid on the adverse impact this has on the delivery of the wider vacancy factor.
- As part of the work being undertaken by the Finance and Change Board in the preparation of the 2025/26 budget, to identify if any savings plans which can be brought forward to the current financial year.
- To continue to provide additional focus and challenge on recurrent pressures within demand led budgets, such as Child placements and Home to School Transport. This will include a review of alternative delivery models.

2.3. In addition to the above, the Council's Corporate Leadership Team will identify further mitigating actions that will be reviewed at the Finance and Change Board on 18 September. This will also include a review of any remaining contingency budgets. Also, the Finance & Change Board will monitor the delivery of the in-year savings programme closely including identification of further mitigations to offset the non-delivery of savings.

### **Recommendations**

It is recommended that the Executive:

- a) Note the report and the estimated revenue outturn position showing a budget overspend of £4.21m.
- b) Note the update on the three-year Capital Programme as detailed in Section 6 and Annex 3.
- c) Note the reallocation of resources to deal with issues identified at Stretford Library (Annex 3)
- d) Note the use of reserves to supplement capital works at Covershaw Lane (Annex 3)
- e) Approve the increase in grant level for Homeowner grants (Annex 3)
- f) Note the management actions and mitigating actions as detailed in Paragraph 2 of Part 2 in the delivery of a balanced budget and effective financial management.

### **Other Options**

No Applicable.

### **Consultation**

Not Applicable

### **Reasons for Recommendation**

To inform Members of the 2024/25 projected outturn figures relating to both Revenue and Capital budgets and summarise the projected outturn position for Council Tax and Business Rates.

Approve is sought to increase the level of Homeowner grant as the uptake of this grant is low, as it has become apparent that £3,000 is no longer sufficient to complete the majority of works due to rising costs for materials and labour.

**Key Decision** : No

**Finance Officer Clearance** .....GB.....

**Legal Officer Clearance** .....DS.....

**DIRECTOR'S SIGNATURE** .....



...

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

# **PART 3 - Annexes**

### Main variances, changes to budget assumptions and key risks

The main variances contributing to the projected overspend of £4.21m, any changes to budget assumptions and associated key risks are highlighted below:

Table: Main variances	Forecast Variance (£000's)	Explanation/Risks
Children's Services	372	<p><b>Projected outturn variance £372k adverse, adverse variance of £62k from Period 2.</b></p> <p>Below is the projected position on children's placements and other budget areas.</p> <ul style="list-style-type: none"> <li>• £311k over budget on children's placements (note 1)</li> <li>• £88k under budget on staffing (note 2)</li> <li>• £126k under budget on home to school transport (note 3)</li> <li>• £275k over budget on other running costs and income across the service (note 4)</li> </ul> <p><b>Note 1</b> Children's placements are expected to overspend by £311k. This is an adverse movement of £311k. The reasons for this variance are as follows:</p> <ul style="list-style-type: none"> <li>• £478k new placements</li> <li>• £55k moved from another placement type</li> <li>• £234k new step-up</li> <li>• £388k delayed step-down</li> <li>• £185k price changes</li> </ul> <p>These are offset by £384k step downs, moves taking place, children leaving care and £645k contingency utilised.</p> <p>This includes estimated spend of £675k for any new placements but also assumes savings will be made against an identified cohort of children. Each placement is reviewed monthly at a High Cost Placement Clinic to ensure that expected savings will be made, RAG ratings are reviewed and reflected in the monitoring position. It is assumed that the £500k savings target will be met.</p> <p>There is a risk that the income received from health that has been built into the projections (£563k) will not be received due to pressures on ICB budgets.</p> <p>The numbers of children as at the end of July compared to those at the end of May are as follows:</p> <ul style="list-style-type: none"> <li>• children in care 357, a decrease of 22</li> </ul>

- child protection 176, a decrease of 50
- children in need 718, an increase of 71

**Note 2**

The favourable variance in staffing is £88k, this is a favourable movement of £318k from P2 due to staff being temporarily funded from SEND Change Programme and some historical costs being funded by the ICB.

**Note 3**

The projected underspend on Home to School Transport is £126k. This is a favourable variance of £35k from P2.

**Note 4**

The adverse variance in running costs and income across the service is £275k, an adverse variance of £104k from P2 as outlined below:

- £14k favourable variance on Partington & Sanyu nurseries, a favourable variance of £10k from P2;
- £523k adverse variance in running costs, an adverse movement of £68k due to:
  - S17 costs £154k adverse, an adverse movement of £24k since P2. This is due to:
    - Payments required for support at home which delayed entry in to care;
    - Costs relating to a data breach which has now been resolved;
    - Accommodation costs for 2 families with no recourse to public funds; and
    - Support worker costs for a young person with complex mental health needs.
  - Other costs £369k adverse, an adverse movement of £44k since P2 – this is due to increased cost of placements required for 2 young people on remand being placed in the community; and an increase in legal/expert costs.
- £234k favourable variance on income, an adverse movement of £46k due to training income not being achieved and reduced income from the ICB within Early Help commissioned budgets.

<p>Adult Services</p>	<p>1,304</p>	<p><b>Projected outturn variance £1.304m adverse and adverse movement of £543k from period 2.</b></p> <p>Below is the projected position on Adult clients and other budget areas.</p> <ul style="list-style-type: none"> <li>• £937k adverse variance on Adults Clients, a £467k adverse movement from period 2 (note 1)</li> <li>• £317k adverse variance on staffing and running costs, an adverse movement of £26k from period 2 (note 2)</li> <li>• £50k underachievement of savings relating to Adult Social Care bad debt provision, an adverse movement of £50k from period 2</li> </ul> <p><b>Note 1</b> Adults Clients £937k adverse variation.</p> <p>This budget remains high in complexity and volatility as it is in part driven by wider system pressures in health (including across Greater Manchester ICB) in addition to direct adult social care demands:</p> <ul style="list-style-type: none"> <li>• increasing demand in our demographics (living longer, complexities of long Covid, increasing numbers of young people with complex needs).</li> <li>• supporting the NHS with rapid discharges from hospitals as they continue to manage the backlog of patients waiting treatments.</li> <li>• increased mental health support.</li> <li>• increasing demand on our teams for adults who lack capacity and are unable to consent to their care &amp; support arrangements.</li> <li>• assessing the impact of the cost of living and inflationary pressures on client contributions.</li> <li>• workforce pressures across the health and social care system.</li> </ul> <p>Packages of Care – The projected outturn position is a £135k adverse variance, a favourable movement of £335k from period 2. Within this projection is a contingency of £763k to mitigate rising costs because of increasing complexity of existing clients and demand from new clients.</p> <p>Savings – The savings target for 24/25 is £1.714m and it is anticipated that only £912k of this target will be achieved in this financial year resulting in an in-year budget pressure of £802k. The projected savings to be achieved are significantly less than originally anticipated due to delays in the implementation of the projects linked to the targets. The projected achievement of savings will be closely monitored throughout the financial year and updates will be provided in future monitoring reports. The service is actively working on revised business cases for 25/26 incorporating slippage from 24/25 savings proposals.</p>
-----------------------	--------------	--

	<p>Discharge to Assess – The 24/25 Local Authority Discharge Grant allocation for the Council is £1.922m. The grant is provided to enable local authorities to continue to expediate hospital discharges. There is a requirement to pool the grant into the Better Care Fund along with the £1.918m ICB Discharge funding received by NHS Greater Manchester ICB. The overall Hospital Discharge budget for the Trafford Locality is £3.840m for the financial year.</p> <p>The Hospital Discharge fund presents risks to the Local Authority in this financial year, this is due to commitments in the BCF being included against the ICB element of the funding that are incurred by the LA in the first instance. The Council is expected to receive £423k from the ICB discharge fund to cover the costs of reablement, however this could be subject to change if ICB costs exceed what has been included in the Hospital Discharge plan.</p> <p>Any reduction in monies received from the ICB discharge fund will result in a pressure on the Adult Social Care budget for which mitigation will be required.</p> <p>The 23/24 monitoring reports referred to a specific risk to the Council from the Intermediate Care service at Ascot House. The Council is continuing to mitigate the pressure through its allocation from the LA discharge fund.</p> <p>The Council and NHS Greater Manchester ICB have jointly requested consultancy to review the service utilising funding and support from the LGA. The aim of the review is to provide an objective appraisal of.</p> <ul style="list-style-type: none"> <li>• the current intermediate care and discharge to assess provision at Ascot House.</li> <li>• the current contractual and governance obligations to establish jointly agreed new governance structure for intermediate care and discharge to assess provisions, particularly for Ascot House with agreed roles and responsibilities.</li> <li>• current capacity and demand metrics with recommendations on future system and patient needs.</li> <li>• an improvement implementation plan with clear and tangible recommendations for how to achieve best outcomes for those exiting hospital on these pathways based on the above outcomes, with a focus on financial and operational sustainability.</li> </ul> <p>The review is due to reach its conclusion by October 2024 at which point the Council and ICB will review the findings and agree the appropriate course of action.</p> <p><b><u>Note 2</u></b> The projected outturn position for staffing and running costs is a £367k adverse variance. The breakdown of the adverse variance is as follows:-</p>
--	--

- £222k adverse variance in the DOLS service due to increasing demand for external Best Interest Assessments £173k and the cost of additional agency support £49k.
- £95k adverse variance due on running costs and minor variations across the service budget.
- £50k adverse variance due to projected underachievement of savings.

Within the £367k variance is an assumption that the £1.010m vacancy factor included within the budget will be achieved in full by the end of the financial year.

Also included within the £367k net variance is £135k of funding from Homes for Ukraine.

Savings – The savings target for 24/25 of £50k for bad debt provision. It is assumed that the savings target will not be achieved in this financial year as Adults Social Care debt levels continue to rise in this financial year.



Public Health	(176)	Public Health is forecasting a £176k favourable variance as at period 4 a favourable movement of £176k from period 2. This is due to projected expenditure on staffing below budget of £69k and £107k favourable variance on running costs.
Place	1,810	<p><b>Total forecast outturn variance £1.810m adverse, an adverse movement of £34k.</b></p> <p><b>Place Revenue Budget £720k adverse, adverse movement of £34k:</b></p> <ul style="list-style-type: none"> <li>• There are projected shortfalls in income of £192k in Parking Services (due to the now open Regent Road car park being later than expected) (increased by £55k), and £224k Building Control (unchanged).</li> <li>• The Planning service is a ringfenced account and has a shortfall in income of £247k, which is offset by an underspend of £73k in staffing, running costs and reserve contributions. This is a forecast net overspend of £174k for the year (reduced by £32k).</li> <li>• Property costs are £139k above budget which includes for ongoing security at Trafford Town Hall and Sale Waterside (reduced by £46k mainly due to lower PFI costs). The timeframe for introducing enforcement of moving traffic offences has taken longer than originally anticipated leading to a forecast budget pressure of £175k this year. Sport and leisure contracts and business rates are £35k above budget (increased by £12k). Other running costs are £2k overspent (adverse movement £14k).</li> <li>• Energy costs are forecast to be £99k below budget (£60k less due to one-off backdated bills from prior years). The underspend reflects the ongoing success of the revised purchasing strategy adopted from April last year. There are also the continuing effects of energy saving measures to reduce consumption.</li> <li>• Estates savings have been rephased across the next two years with an anticipated shortfall of £230k this year. Work is ongoing to mitigate this pressure, such as from a number of ongoing business rate appeals.</li> <li>• Additional projected income above budget Altair £120k, airport rent £98k, other let estate £38k and outdoor media advertising £87k (increased by £20k)</li> <li>• Staff vacancies for the year are currently estimated at £355k (excluding the ringfenced Planning account) (increased by £9k) which is approximately 3.6% of the staffing budget. This is offset by the Directorate-wide efficiency saving of £346k.</li> </ul>

		<p><b>Strategic Investment Programme £1.09m adverse, no change;</b></p> <p>The investments made through the Council's Asset Investment Strategy are forecast to generate a net benefit to the revenue budget in 2024/25 of £4.94m, which is a shortfall of £1.09m against the net budget of £6.04m. This deficit is mainly attributable to the early repayment of the debt facility at Sunlight House, which had been expected to provide £0.72m of net income in year. This facility was repaid early, and in full, after the borrower's option to do so was exercised. The Council will seek additional investment opportunities during the year to recycle repaid funds and generate additional income.</p>
Strategy & Resources	19	<p><b>Total forecast outturn variance £19k adverse, a favourable movement of £(30)k.</b></p> <ul style="list-style-type: none"> <li>• Staff costs are estimated to be £347k less than budget across the Directorate based on actual and forecast vacancies across the whole year (reduced by £6k), which is 3.5% of the total staffing budget.</li> <li>• Running costs are forecast to be £22k overspent, including ICT equipment.</li> <li>• Income is projected to be £70k above budget (increased by £36k). This relates to trading services - net £29k Bereavement Services (increased by £11k), £29k Catering and Cleaning (increased by £25k) and £12k from the Music Service.</li> </ul> <p>These are offset by the budgeted Directorate-wide efficiency saving target of £414k.</p>
Finance & Systems	(112)	<p><b>Total forecast outturn variance £(112)k favourable, a favourable movement of £(91)k.</b></p> <ul style="list-style-type: none"> <li>• Staff costs are estimated to be £352k less than budget across the Directorate based on actual and forecast vacancies for the whole year (increased by £156k), which is 3.4% of the total staffing budget.</li> <li>• Running costs are forecast to be overspent by £12k (increased by £7k).</li> <li>• Income is projected to be £21k above budget (adverse movement of £58k due to lower grants in Exchequer Services).</li> </ul> <p>These are offset by the budgeted Directorate-wide efficiency saving target of £249k.</p>

Legal and Governance	327	<p><b>Total forecast outturn variance £327k adverse, adverse movement of £247k.</b></p> <ul style="list-style-type: none"> <li>• Staff costs are estimated to be £1k above budget (adverse movement of £47k) and includes for agency costs covering vacancies and service demand.</li> <li>• Running costs are projected to be overspent by £288k, which has increased by £209k. This relates to additional legal fees, particularly relating to caseload demand from social care.</li> <li>• There is a projected shortfall in income of £38k compared to budget (reduced by £9k). This includes £74k in land charges (increased by £5k) and £22k in capital fee income which is related to staff vacancies. This is offset by SLA and other income of £25k above budget assumptions (£4k increase) and £33k from Registration Services (£10k increase).</li> </ul>
Council-wide	665	<p>Projected Outturn variance, £665k adverse, an adverse movement of £1.385m since period 2.</p> <p><b>Treasury Management</b></p> <p>Due to the continuing high interest environment, the Council has managed its cash balances to delay the need to borrow while investing any surplus cash to generate investment income to support the revenue budget. This careful cash management is forecast to provide a saving of £746k in treasury costs in 2024/25, a small favourable movement since period 2 of £26k.</p> <p><b>Pay Award</b></p> <p>The local government pay award negotiations for 2024/25 have not been finalised. The NJC pay claim of 10% compares with an employer offer of a minimum of 2.5% or £1,290. The cost of the employer offer is 4.01% compared with a 4% budget assumption and would result in a £48k budget pressure which would be met from the Inflation Risk Reserve in year. Each additional 1% represents circa +£1.0m. A 10% increase in the pay budget would not be sustainable within the current budget plans.</p> <p><b>Housing Benefit</b></p> <p>In 2023/24 there was a £497k overspend which was neutralized by a draw down from the Housing Benefit Risk Reserve. As a result of this and in anticipation of ongoing increases to the number of Bed &amp; Breakfast and other temporary accommodation cases £400k was added to the 2024/25 budget.</p> <p>The pressure within the Housing Benefit Subsidy budget is continuing to increase in 2024/25. This is largely as a result of the continuing and increasing costs of Bed and Breakfast (B&amp;B) accommodation, where rents paid are significantly higher than the Government's Local Housing Allowance (LHA) rate.</p>

		<p>Since the start of 2024/25 the average rents in the Private Sector have increased by over 7% whereas the level of rent at which the Council can claim subsidy is still fixed at the 2011 Government rate.</p> <p>The actual volume and length of such claims has also increased significantly in the period up to the end of July 2024 compared to 2023/24.</p> <p>As a result of this the Council is currently striving to increase the portfolio of temporary accommodation both in and outside the borough to reduce the cost pressures and numbers in B&amp;B accommodation.</p> <p>In terms of the overall projected outturn the net cost (payments made, less subsidy and overpayment recovery) is estimated to be £1.6m. After using the remaining Housing Benefit Risk Reserve of £403k this overspend reduces to £1.2m.</p> <p><b>Coroner's Budget</b></p> <p>The projected costs of Trafford's share of the South Manchester Coroners' service is currently expected to be £141k higher than budget. This includes a projected one-off cost to Trafford of £77k relating to the planned refurbishment of the Coroner's building in Stockport later this financial year.</p> <p><b>Contingency</b></p> <p>The Council holds a contingency of £1.26m which includes a reduction of £500k from 2023/24 as part of our budget plans. Commitments to date include a £200k shortfall in digital savings accumulated from 2022/23 and 2023/24 following a delay of savings associated with the ICT strategy.</p> <p>At this stage of the year the remaining balance of the contingency is £1.02m and it has been assumed this will be fully committed.</p> <p>Other minor net variances of £70k.</p>
--	--	--

Dedicated Schools Budget	10,307	<b>Projected Outturn variance - £10.307m adverse.</b>																								
		<table border="1"> <thead> <tr> <th>P4 monitoring</th> <th>Grant £000</th> <th>Forecast outturn £000</th> <th>P4 Variance £000</th> </tr> </thead> <tbody> <tr> <td>Schools Block</td> <td>215,423</td> <td>215,096</td> <td>(327)</td> </tr> <tr> <td>Central Schools Services Block</td> <td>1,496</td> <td>1,408</td> <td>(88)</td> </tr> <tr> <td>High Needs Block</td> <td>42,618</td> <td>53,340</td> <td>10,722</td> </tr> <tr> <td>Early Years Block</td> <td>29,853</td> <td>29,853</td> <td>0</td> </tr> <tr> <td><b>TOTAL DSG</b></td> <td><b>289,389</b></td> <td><b>299,697</b></td> <td><b>10,307</b></td> </tr> </tbody> </table>	P4 monitoring	Grant £000	Forecast outturn £000	P4 Variance £000	Schools Block	215,423	215,096	(327)	Central Schools Services Block	1,496	1,408	(88)	High Needs Block	42,618	53,340	10,722	Early Years Block	29,853	29,853	0	<b>TOTAL DSG</b>	<b>289,389</b>	<b>299,697</b>	<b>10,307</b>
P4 monitoring	Grant £000	Forecast outturn £000	P4 Variance £000																							
Schools Block	215,423	215,096	(327)																							
Central Schools Services Block	1,496	1,408	(88)																							
High Needs Block	42,618	53,340	10,722																							
Early Years Block	29,853	29,853	0																							
<b>TOTAL DSG</b>	<b>289,389</b>	<b>299,697</b>	<b>10,307</b>																							

but the project timeline slipped and the 2 schools have since withdrawn. Another round of expressions of interest has been run to identify new partners. A secondary project has also slipped with expected delivery now September 26. No variance from P2.

- Behaviour and Attendance & other central SEN budgets £71k under spend, adverse variance of £20k due to additional top up funding being required for Trafford Alternative Education Provision (TAEP).
- Special Schools - £56k overspend, adverse variance of £56k from P2 due to additional top ups being required.
- Further education placements (Trafford College) - £146k overspend due to more places being funded for out of borough pupils than we have received in the import/export adjustment – this is lagged and if the additional 50 pupils are there in the new academic year from September, the funding will be received next financial year.

There is a brought forward negative high needs block reserve of £11.164m, leaving an overall estimated deficit of £21.886m at year end.

<b>DSG Reserve</b>	<b>1 April 2024 £000</b>	<b>P4 Forecast outturn £000</b>	<b>31 March 2025 Projection £000</b>
<b>Schools Block (SB)</b>	(1,045)	(327)	(1,372)
<b>Central Schools Services Block (CSSB)</b>	(400)	(88)	(488)
<b>High Needs Block (HNB)</b>	11,164	10,722	21,886
<b>Early Years Block (EYB)</b>	1	0	1
<b>TOTAL DSG Reserve (surplus)/deficit</b>	<b>9,720</b>	<b>10,307</b>	<b>20,027</b>

The annual cost to the Council of servicing this debt is approximately £1.0m.

There is the risk that the number of EHCPs will continue to grow and dependence on costly out of borough places will increase as

		<p>capacity in borough isn't sufficient, which will impact on our ability to reduce the deficit.</p> <p>The mitigations that have been identified to address these risks are as follows:</p> <ul style="list-style-type: none"> <li>• Develop support in schools through the Local Authority SEND Inclusion Service which is made up of Educational Psychology Service (EPS), SEN Advisory Service (SENAS) and Sensory Impairment Support Service (TSISS);</li> <li>• Prioritise inclusive practice in Trafford to reduce the demand for EHCPs and build parental confidence through the development of high quality training, self-evaluation materials and an evidence-based design process;</li> <li>• Review the effectiveness of existing LA commissioned contracts, develop a SEND Commissioning strategy that is overseen through a joint commissioning steering group, ensure strong connectivity with the integrated care board;</li> <li>• Roll out the Graduated Approach to SEND across EY settings and schools aimed at the early identification of children's needs and delivery of appropriate support to manage demand for EHCPs;</li> <li>• Ensure the staffing structure for SEND casework is appropriate;</li> <li>• Ensure robust sufficiency &amp; placement planning through the use of the High Needs Capital Provision allocation to provide places in both primary and secondary settings in the future.</li> </ul> <p>There will be a dedicated finance session in the Autumn where learnings from Delivering Better Value and Safety Valve Authorities will be used to challenge our deficit management plan.</p> <p>Councils throughout the country face an accumulated deficit of £3.2bn. 38 LAs have entered 'safety valve' agreements with the government where they receive extra funding in return for an agreement to cut SEND deficits. Work continues to take place on the DSG deficit management plan with proposals and options being discussed further with the DfE in August. Work continues with the High Needs sub-group on the above mitigations.</p> <p>The statutory override for the DSG ends in 2025/26 which means that if this is not extended, the deficit will transfer back to the</p>
--	--	--

		Council's total Earmarked Reserves, which has serious financial implications for the authority.
--	--	---



Savings Programme

ANNEX 2

Theme/Title	Service Area	Budget 2024/25 £000's	Outturn Projection 2024/25 £000's	Gross Variance 2024/25 P4 £000's	Mitigating action undertaken in year £000's	Overall net variance in year after mitigating action £000's	Description of Saving	Financial RAG 24/25	Financial RAG 25/26	Financial RAG comments
Children Placements	Children's	(500)	(500)	0	0	0	Continuation of demand management approaches and review of placements for looked after children	GREEN	AMBER	Although the saving is expected to be achieved in 24/25, it will be difficult to continue to make further savings from this budget in future years.
Children's Services – Investing in our Children – Family Help Savings Proposal	Children's	(50)	(50)	0		0	Continuation of the service redesign	GREEN	AMBER	The payment of this grant depends on meeting clear performance measures against 10 outcomes and 34 criteria being implemented alongside regression checks. Grant funding for future years is reliant on the achievement of outcomes and is therefore not guaranteed. Rigorous monitoring against the measures is in place.

Re-shaping of Directorate Management Team	Children's	(104)	(104)	0		0	Review of Directorate Management Team structure	GREEN		Saving has been identified - no saving in 25/26
Youth Engagement Service/Youth Justice	Children's	(97)	(97)	0		0	Complete a review of the service as part of the service re-design programme	GREEN		Saving has been identified - no saving in 25/26
<b>Sub-Total Children's</b>		<b>(751)</b>	<b>(751)</b>	<b>0</b>	<b>0</b>	<b>0</b>				
Weight Management	Adults	(28)	(28)	0		0	Reduce the prevalence of community obesity and thereby reduce long-term health conditions that result and the support required.	AMBER	AMBER	There are no concerns on the achievement of this saving, it will be achieved across the financial year.
Bad debt provision - Adults Social Care	Adults	(50)	0	50		0	Review level of contribution to bad debt provision	RED	AMBER	The achievement of this saving is contingent on achieving a minimum of breakeven outturn position on the Adults clients budget. The P4 position is currently reporting an overspend position

										therefore it is not expected that this will be achieved.
Reduction in demographic growth budget	Adults	(200)	0	200		0	Reduction in demographic growth budget	RED	AMBER	The achievement of this saving is contingent on achieving a minimum of breakeven outturn position on the Adults clients budget. The P4 position is currently reporting an overspend position therefore it is not expected that this will be achieved.
Living Your Best Life	Adults	(300)	(10)	290		0	Transformation of services for people with a learning disability and people with Autism with strengthened links to transitions.	AMBER	AMBER	Minimal savings have been achieved to date however there is a dependence on the Community Learning Disability team to carry out assessments of client needs in order to facilitate step downs. It is very likely the remaining saving will not be met owing to a delay in the transfer of support to commissioned provision for one scheme and challenges in finding alternative solutions for two further schemes. A revised business case in Sept 24 will assess impact on 25/26.

Improving Lives Everyday	Adults	(250)	(250)	0		0	Review of low cost care packages	AMBER	AMBER	This project has seen delays in implementation but has now commenced.
Reablement Review	Adults	(600)	(400)	200		0	Review of externally commissioned reablement services.	AMBER	AMBER	Data shows that there has been an improvement in performance in this area however this needs to remain constant throughout the financial year in order to achieve the outcomes required to reach the savings target.
Carer Resilience	Adults	(336)	(224)	112		0	The project proposes the developing of an intensive evidence-based model of support for carers of people with dementia, in order to improve the experience of being carer for someone with dementia and delay residential care	AMBER	AMBER	This project requires management action throughout the financial year.
<b>Sub-Total Adults</b>		<b>(1,764)</b>	<b>(912)</b>	<b>852</b>	<b>0</b>	<b>852</b>				

Strategic Investment Income	Place	(370)	(370)	0		0	Investment Programme - Recycling of receipts to maintain net income at achievable levels	AMBER	AMBER	Savings were delivered in 2023/24. Programme remains at risk in 24/25 given the wider economic uncertainty.
Review of operational and strategic estates	Place	(390)	(160)	230		230	Efficiency review of operational estate and lease/rent reviews to ensure full cost recovery across the Council's estate	AMBER	AMBER	Some savings have been re-profiled to 2025/26. There is potential to reduce the shortfall in 24/25 from other measures such as business rate appeals.
Sale Water Park	Place	(10)	(10)	0		0	Review service provision and cost recovery	GREEN	GREEN	
Investment Income	Place	(450)	(450)	0		0	Dividend income from LLP with Bruntwood (Lumina)	GREEN	AMBER	Will be achieved in 24/25. 25/26 will depend on the ongoing commercial performance.
Waste Reserves	Place	(500)	(500)	0		0	Review of Waste reserves	GREEN	GREEN	
Amey 7 year review	Place	(100)	(100)	0		0	Income generated through contract	GREEN	GREEN	

							changes following the Amey 7 year review			
<b>Sub-Total Place</b>		<b>(1,820)</b>	<b>(1,590)</b>	<b>230</b>	<b>0</b>	<b>230</b>				
Traded Services - Star	Finance & Systems	(50)	(50)	0		0	Traded Services income - increase in contributions to offset pay and cost inflation.	GREEN	GREEN	
<b>Sub-Total Finance &amp; Systems</b>		<b>(50)</b>	<b>(50)</b>	<b>0</b>	<b>0</b>	<b>0</b>				
Traded Services - Catering & Cleaning	Strategy & Resources	(498)	(498)	0		0	Review Traded Services income - increase in charges to offset pay and cost inflation.	AMBER	AMBER	Currently on target although net income can fluctuate during the year due to external factors such as inflation and trading performance
Review of Sale Waterside Arts Centre	Strategy & Resources	(75)	(75)	0		0	Improve effective use of asset and business development	AMBER	AMBER	Currently on target although net income can fluctuate during the year due to external factors such as inflation and trading performance
Review Music Service	Strategy & Resources	(187)	(187)	0		0	Continue to remove the remaining Corporate overhead	AMBER	AMBER	Currently on target although net income can fluctuate during the year due to external factors such

							subsidy and continue with expansion of offer with a view to broadening reach			as inflation and trading performance
<b>Sub-Total Strategy &amp; Resources</b>		<b>(760)</b>	<b>(760)</b>	<b>0</b>	<b>0</b>	<b>0</b>				
Smart Working	All	(400)	(400)				To be achieved by a combination of measures associated with smart working	AMBER	AMBER	The majority of the saving will be from the management vacancy pause. It is assumed the saving will be made in full
Release of Treasury Smoothing Reserve	All	(500)	(500)				Release of Treasury Smoothing Reserve	GREEN	GREEN	saving met from the release of smoothing reserve
Reduction in central contingency	All	(500)	(500)				Reduction in central contingency	GREEN	GREEN	Sufficient capacity within the central contingency to meet this saving in full
<b>Sub-Total Council Wide</b>		<b>(1,400)</b>	<b>(1,400)</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>TOTAL SAVINGS AND INCOME PROPOSALS</b>		<b>(6,545)</b>	<b>(5,563)</b>	<b>1,082</b>	<b>0</b>	<b>1,082</b>				

**Approved Budget**

1. The overall value of the indicative capital programme for 2024/25 to 2026/27 capital programme was restated in the P2 monitor to £192.81m which was an increase of £38.25m from the approved budget of £154.56m from February 2024. This was due to reprofiling of expenditure from 2023/24 of £30.50m and a £7.75m increase in several funding streams, as detailed in the P2 report.

This position has changed further to £193.24m, an increase of £0.43m, which relates to the following:

- Additional library improvement funding of £360k for creation of a cultural hub at Sale library.
- A small number of additional section 106 contribution to support schemes within the place directorate of £20k.
- Removal of £(50)k of support for solar panel installation works at schools which is now being funded through school DFC balances already included with the programme.
- Addition of £100k earmarked from reserves to fund highway works at Covershaw Lane, Partington.

The table below details the change in the original approved budget to the current position reported as part of this monitoring report.

	<b>Budget £m's</b>
<b>Approved Three Year Capital Programme (February 2024)</b>	<b>154.56</b>
Reprofiled Budget (Reported in 2023/24 Outturn)	30.50
Increase in funding	7.75
<b>Revised P2 Budget</b>	<b>192.81</b>
Increase in funding	0.43
<b>Revised P4 Budget</b>	<b>193.24</b>

2. The increase to the originally approved budget, detailed above, gives a level of programme which would be unrealistic to deliver in full for this financial year. An exercise has, therefore, been undertaken to reprofile the resources more appropriately. This review is detailed within this report and is now at a level which is considered both deliverable and affordable, taking factors such as inflation and forecast levels of available receipts into account.

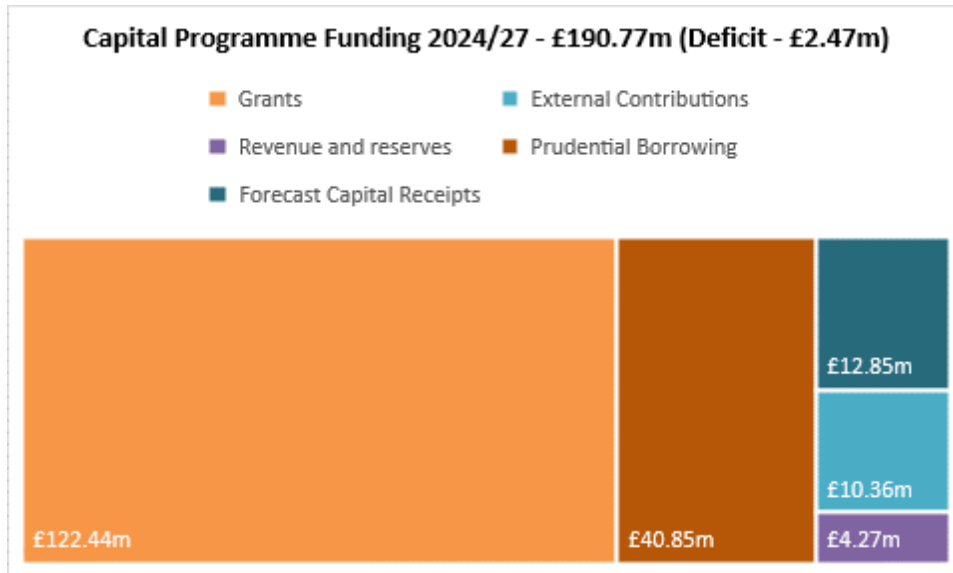


3. The revised capital programme budget for this financial year is £73.11m and is detailed in the following table along with the re-phasing of the remaining years of the three-year capital programme.

	2024/25 Revised Budget	2025/26 Revised Budget	2026/27 Revised Budget	TOTAL BUDGET
<b>Service Analysis:</b>	£m	£m	£m	£m
Children's Services	12.48	27.18	16.89	56.55
Adult Social Care	3.76	3.09	2.69	9.54
Place	53.72	36.76	29.37	119.85
Governance and Community	0.11	0.25	-	0.36
Finance & Systems	3.04	2.09	1.81	6.94
<b>General Programme Total</b>	<b>73.11</b>	<b>69.37</b>	<b>50.76</b>	<b>193.24</b>

### Approved Programme Funding

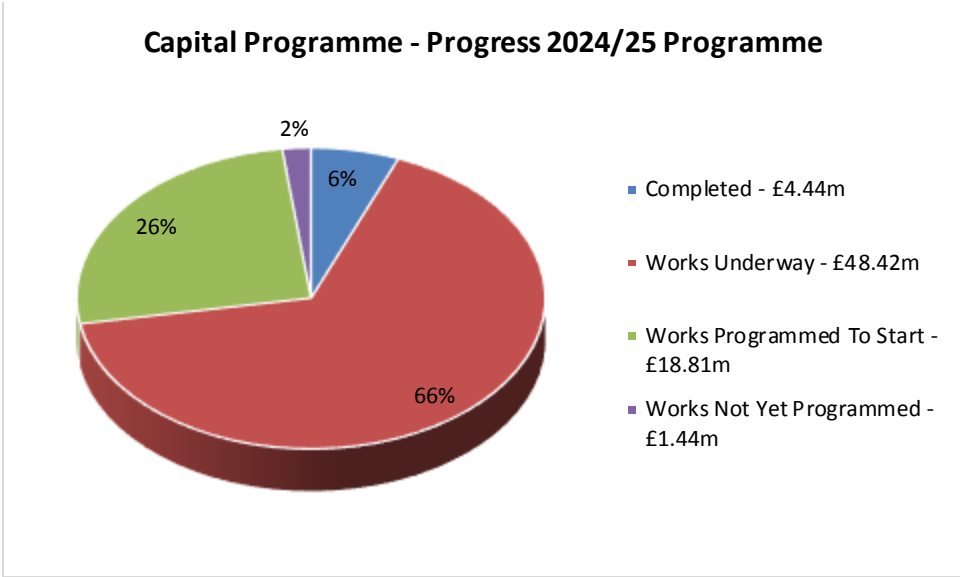
4. The general capital programme is resourced by a combination of both internal and external funding, detailed in the table below. The overall funding of the three-year capital programme includes a deficit of £2.47m, a level of deficit approved by Council in February 2024 (this is deemed a prudent level of overprogramming by the Council's s151 officer, given the likelihood of some slippage in the overall programme).



### Scheme Performance

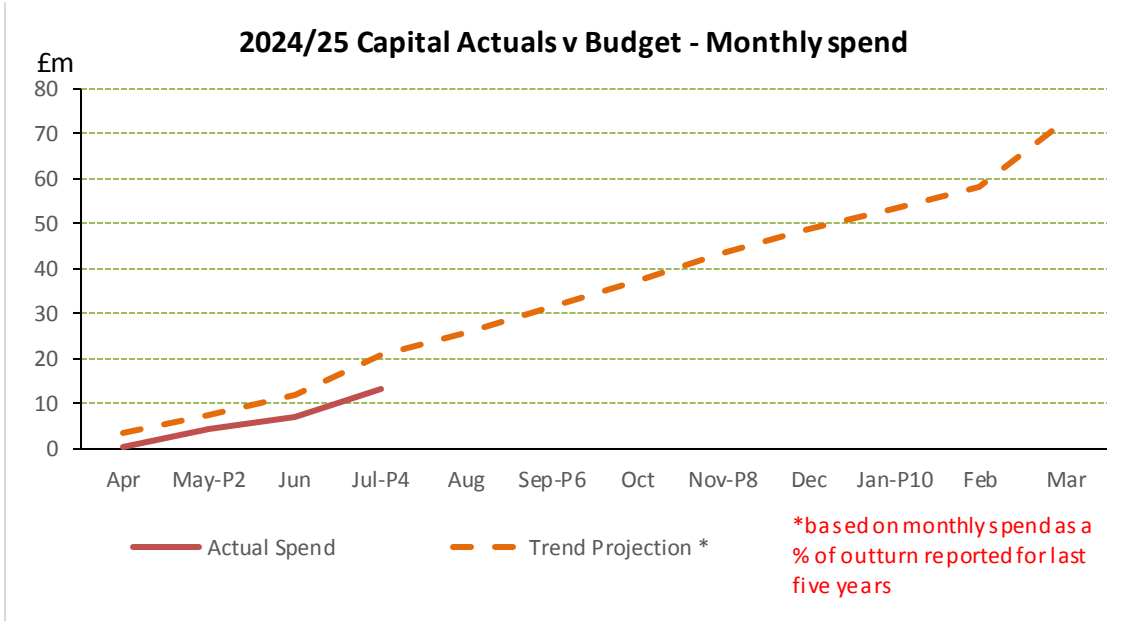
5. Capital schemes by their very nature are delivered over extended periods of time (often over multiple financial years), with stages that can include design and planning, procurement and appointment of contractors, delivery stage, and completion.

Each scheme included in the programme has a progress status assigned for monitoring purposes. The following graphic illustrates the overall percentage of schemes within each stage of progress.



Works identified as not yet programmed will be subject to review by the Capital Programme Board along with progress of schemes both underway and programmed to start.

- To date this financial year there has been spend of £13.09m. It is to be noted that as with many services that are provided there will be an element of lag within this figure with work being undertaken and invoices not yet received, paid or subject to verifications. The table below shows the spend to date against a historically trended cost projection.



\*Trend projection is based on monthly % of spend  
Included within Appendix A specific schemes are detailed, with profiling of remaining budgets, spend to date and progress status.

### **Specific Scheme Comments**

7. The condition of Stretford Library roof has deteriorated, with the library currently managing leaks which pose health and safety issues. Work has been planned for September to resolve these current issues with a cost estimate of £40k. To fund this, approval was sought through the Director of Place and the Director of Finance and Systems with the delegated powers to allocate previously approved but uncommitted resources from the Watling Gate scheme.
8. The condition of the highway at Covershaw Lane, Partington has led to full closure. An initial £50k was allocated from the approved serviceability capital budget, however current estimate of immediate works to re-open the road is circa £150k, in order to expedite the opening of the road the additional £100k has been earmarked in existing reserves relating to the One Trafford Partnership.
9. **Approval Required** - The Housing Standards Team have a yearly grant allowance to allocate to homeowners who cannot afford to carry out essential works to their property. There is a total of £15,000 in the yearly budget for this grant, plus any underspend from the £5,000 housing standards empty property budget, with a single grant maximum of £3,000 per property. The successful applicants are means tested and prioritised for those most in need, previous works have included roofing repairs, provision of heating and hot water, and replacement of damaged windows. These grants are funded from capital receipts.

The uptake of this grant is low, but in the last few years it has become apparent that £3,000 is no longer sufficient to complete the majority of works, due to rising costs for materials and labour. This has meant that some homeowners have not progressed with the grant as they could not afford to make up the remainder of the costs required that would not be covered by the grant.

It is proposed that the maximum grant allocation is increased from £3,000 to £6,000 to allow the Council to assist homeowners in need with required works. It is hoped that this increase will mean that the homeowners most in need can be assisted by the grant. This doesn't change the overall approved budget for this scheme.

## Asset Investment Fund

10. Asset Investment Fund currently stands at a maximum approved limit of £500m, supported by prudential borrowing, to support the Council's Investment Strategy. The transactions that have been agreed by the Investment Management Board (IMB) to date have a total current committed cost of £371.8m, of which £273.3m has currently been expended. The balance of the approved £500m which is available for further investment is £128.2m.

Asset Investment Fund	Prior Years Spend £m	Repayments £m	Actual Spend 2024/25 £m	Future Years Commitment £m	Total £m
Property Purchase	62.5	0.0	0.0	0.0	62.5
Property Development	12.3	0.0	0.2	1.2	13.4
Equity	45.7	0.0	0.3	8.1	54.1
Development Debt	154.7	(27.1)	20.7	89.5	237.8
<b>Total Capital Investment</b>	<b>275.2</b>	<b>(27.1)</b>	<b>21.1</b>	<b>98.7</b>	<b>367.9</b>
Treasury Investments	17.6	(13.6)	0.0	-	4.0
<b>Total Investment</b>	<b>292.9</b>	<b>(40.7)</b>	<b>21.1</b>	<b>98.7</b>	<b>371.8</b>

11. The forecast net income level is £4.94m, which is a shortfall of £1.09m against the targeted net income of £6.04m. This deficit is mainly attributable to the early repayment of the debt facility at Sunlight House, which had been expected to provide £0.72m of net income in year. This facility was repaid early, and in full, after the borrower's option to do so was exercised. The Council will seek additional investment opportunities during the year to recycle repaid funds and generate additional income.

### Issues / Risks

12. A key risk is the ability to deliver the revised capital programme in 2024/25, and this will continue to be closely monitored and reported throughout the year and as any significant issues may arise.

13. In addition, there is the risk that the level of capital receipts that will be realised in the year and in future will be insufficient to fund the relevant schemes in the capital programme. A prudent approach to estimating these asset receipts and development returns will continue to be taken with only receipts that have a significant level of certainty being included in the resource forecasts.

## Appendix A

This Appendix details individual programs of work and provides details about the progress of schemes. The total approved budget is that for the delivery for the whole scheme not just that detailed as part of the three-year capital programme.

### SCHOOLS

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
<b>SCHOOLS</b>								
Basic Need - School Places	10,197	-	15	560	4,037	5,600	Rolling	Programme of works currently being developed for known allocations.
Altrincham College	12,776	124	70	2,500	6,152	4,000	Mar-27	This scheme is still at the planning stage with the aim of starting on site at the end of this year. There is still the potential for movement within the programme which is dependent on planning and placing orders for mobile classrooms ahead of the main works
Broadoak School (PAN increase of 60)	6,800	-	40	200	4,600	2,000	Sep-26	This scheme still needs planning approval and funding agreements require signing off. The aim is to get these works complete for use in September 2026
Devolved Formula Capital	2,075	-	153	804	649	622	Rolling	Resources managed by schools
Capital Maintenance Grant	11,863	-	381	3,760	5,441	2,662	Rolling	Ongoing programme of small maintenance works
High Needs Send Grant	5,670	-	86	369	3,301	2,000	Rolling	Programme of works currently being developed for known allocations
Brentwood School - SEND	6,550	207	442	3,843	2,500	-	Sep-25	Works are due to start imminently, with them needing to be completed for pupils in September 2025.
Childcare Grant	561	-	-	361	200	-	-	Programme of works currently being developed
<b>Sub-total</b>	<b>56,492</b>	<b>331</b>	<b>1,187</b>	<b>12,397</b>	<b>26,880</b>	<b>16,884</b>		

## CHILDREN'S SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
<b>CHILDREN'S SERVICES</b>								
Hayeswater Centre - Improving outdoor provision	29	-	-	29	-	-	Dec-24	On Target to be spent this year
Liquid Logic - Children's & Delegation Portals	135	127	-	8	-	-	-	Complete – Awaiting final costs
Foster Carers – Adaptations to Registered Social Landlord Properties	350	-	-	50	300	-	Mar-26	Programme of works currently being developed with RP's
<b>Sub-total</b>	<b>514</b>	<b>127</b>	<b>-</b>	<b>87</b>	<b>300</b>	<b>-</b>		
<b>TOTAL CHILDRENS SERVICES</b>	<b>57,006</b>	<b>458</b>	<b>1,187</b>	<b>12,484</b>	<b>27,180</b>	<b>16,884</b>		

## ADULTS SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Disabled Facility Grants	8,783	-	1,114	3,295	2,794	2,694	Rolling	Ongoing programme of home adaptations
Right Care for You	102	-	-	102	-	-	Mar-25	On Target to be spent this year
Our Place, Sale (Kara House) - Safety Works	570	-	-	270	300	-	Sep-25	Works expected to commence this financial year.
Liberty Protection Safeguards (Liquidlogic updates)	97	26	-	71	-	-	Mar-25	On Target to be spent this year
Shawe Road, Urmston - Refurbishment works	100	82	-	18	-	-	-	Complete - Awaiting final costs
Liquid Logic - Updates	70	67	2	3	-	-	-	Complete - Awaiting final costs
<b>TOTAL ADULT SERVICES</b>	<b>9,722</b>	<b>175</b>	<b>1,116</b>	<b>3,759</b>	<b>3,094</b>	<b>2,694</b>		

## PLACE – CORPORATE LANDLORD

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Public Building Repairs & Compliance Prog - Appendix 3	1,209	-	75	694	475	40	Rolling	Ongoing programme of work with main element of works being undertaken at Tatton house.
Sale Waterside/Trafford Town Hall Improvements	193	57	3	86	50	-	Mar-26	Ongoing programme of works
Altrincham Market House Improvements	100	-	-	100	-	-	-	This allocation is held for any potential works needed.
Watling Gate - Preservation/Conservation	122	4	-	18	100	-	-	An element of these resources re allocated to PBR for Stretford Library works, requirement for remaining resources to be assessed.
Estates Savings Requirements	645	-	-	-	645	-	-	Resources allocated for works at School Road and Market Street - these are currently delayed as linked to LAHF phase 3 which still requires approval.
De-Carbonisation Programme	3,962	3,550	56	412	-	-	Dec-24	The main works are now finished but there has been an element of snagging that required sorting, we now awaiting confirmation that works are complete and final invoicing for remaining costs.
Claremont Centre Works	70	-	-	-	70	-	-	Works still to be identified.
Corporate Building Security Review	272	2	-	270	-	-	Nov-24	Works Underway
Clarendon House - Development works	120	-	-	120	-	-	-	Complete – Awaiting final costs
<b>TOTAL</b>	<b>6,693</b>	<b>3,613</b>	<b>134</b>	<b>1,700</b>	<b>1,340</b>	<b>40</b>		

## PLACE – REGENERATION AND STRATEGIC PLANNING

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Town Centre Loans Fund	276	-	-	100	100	76	Rolling	Loans payable when applications are submitted.
9/11 Market Street, Altrincham – Redevelopment	239	-	-	-	239	-	-	Development of commercial areas of building (which this budget is for) to be linked with LAHF funded residential developments.
Altrincham Town Centre - Public Realm Works	6,684	6,663	15	21	-	-	-	Complete - Awaiting final costs
UK Shared Prosperity Fund Programme	654	5	5	649	-	-	Mar 25	A number of initiatives are being delivered throughout the year including: Greening Trafford Park : Public realm works in Stretford and Sale : Installation of outdoor gyms : Shop Improvement Grants
Future High Street Fund	19,133	12,953	2,417	5,680	500	-	Nov 24	Most of the works being undertaken utilising these resources have now been completed with the remaining works being undertaken by Bruntwood on the elements around Stretford town centre.
<b>TOTAL</b>	<b>26,986</b>	<b>19,621</b>	<b>2,437</b>	<b>6,450</b>	<b>839</b>	<b>76</b>		

## PLACE – BEREAVEMENT SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Altrincham Crematorium - Replacement cremator	710	-	213	710	-	-	Aug-24	On target, works nearing completion.
<b>TOTAL</b>	<b>710</b>	<b>-</b>	<b>213</b>	<b>710</b>	<b>-</b>	<b>-</b>		



## PLACE – LEISURE AND SPORT

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Altrincham Leisure Centre	23,100	14,045	2,458	9,055	-	-	Dec- 24	On target to be spent this year
Partington Sports Village - Levelling Up Fund	22,705	1,606	167	3,491	17,608	-	Mar- 26	Work on the main element of the scheme is anticipated to start imminently with completion in line with current grant approvals of March 26.
Leisure Strategy - Refurbishment and Essential Works	28,218	339	22	538	1,341	26,000	-	The use of these resources is still being developed, to meet the requirements of the leisure strategy.
Football Facility Provision	2,294	904	1,046	1,390	-	-	Sep-24	On target, works nearing completion.
Timperley Sports Club - Artificial Pitch	638	132	506	506	-	-		Complete
Longford Park Sports - Track Replacement	532	-	-	532	-	-	Mar-25	Awaiting update on progress of this scheme
Altrincham Golf Course	100	28	-	72	-	-	Mar-25	On target to be spent this year
Parks - Tennis Courts Programme	466	-	25	200	266	-	Sep-25	Works is currently taking place and Longford Park and Ashton Park, Sale.
<b>TOTAL</b>	<b>78,053</b>	<b>17,054</b>	<b>4,224</b>	<b>15,784</b>	<b>19,215</b>	<b>26,000</b>		

## PLACE – HOUSING SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Assistance to Owner Occupiers	26	8	-	16	10	-	Rolling	Grants payable when bids are submitted
Housing Standards / Empty Property Initiatives	30	-	-	20	10	-	Rolling	Grants payable when bids are submitted
Local Authority Housing Fund	5,815	3,272	852	2,543	-	-	Mar- 25	On target to be spent this year
<b>TOTAL</b>	<b>5,879</b>	<b>3,280</b>	<b>852</b>	<b>2,579</b>	<b>20</b>	<b>-</b>		

## PLACE – INTERGRATED TRANSPORT

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Integrated Transport Schemes	1612	263	78	1,349	-	-	Rolling	Ongoing programme of works
Mayors Cycling and Walking Challenge Fund	20,000	4,757	729	8,733	6,160	350	Rolling	There are a number of individual elements of work being funded through this funding team, work this year is expected to be undertaken on the A56, Chester Road and Seymour grove
Residents Parking Scheme	500	395	-	105	-	-	Mar-25	On target to be spent this year
Boroughwide - Boundary / Village Entry Signs	105	20	2	85	-	-	Mar-25	On target to be spent this year
Electric Vehicle Charging Points	500	54	-	246	200	-	Sep-25	Works have commenced on this scheme
TfGM funded CRSTS Projects	544	89	45	455	-	-	Mar-25	On target to be spent this year
Moving Traffic Offences - Boroughwide Cameras	465	-	-	-	465	-	-	Scheme elements still to be developed
<b>TOTAL</b>	<b>23,726</b>	<b>5,578</b>	<b>853</b>	<b>10,973</b>	<b>6,825</b>	<b>350</b>		

## PLACE – PARKING SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Parking Services	289	224	6	65	-	-	Mar-25	On target to be spent this year
<b>TOTAL</b>	<b>289</b>	<b>224</b>	<b>6</b>	<b>65</b>	<b>-</b>	<b>-</b>		

## PLACE – COMMUNITY SAFETY

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
CCTV Transformation Programme - Phase 2	563	427	53	136	-	-	Mar-25	On target to be spent this year
CCTV Cameras - Fly-tipping Prevention	160	-	-	-	160	-	-	No progress has been made on this scheme
<b>TOTAL</b>	<b>720</b>	<b>427</b>	<b>53</b>	<b>136</b>	<b>160</b>	<b>-</b>		

## PLACE – STRUCTURAL MAINTENANCE

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Highways Structural Maintenance	9,206	-	684	3,682	2,612	2,912	Rolling	Delivery of in excess of 51 projects planned throughout the year with 13 already completed so far.
Surface Dressing & Treatment Programme	1,000	-	5	500	500	-	Rolling	Main element of works to be undertaken over July and August.
Additional Pot Hole Funding	515	437	-	78	-	-	Mar-25	On target to be spent this year
Network North Additional Maintenance	738	-	17	738	-	-	Feb- 25	New grant allocations for 23/24 and 24/25 - programme agreed to deliver 13 projects this year.
CRSTS - Key Route Network Programme	4,501	4,193	-	-	308	-	Jul-25	Remaining works scheduled to be undertaken early in the next financial year.
Street Lighting	1,130	-	125	830	300	-	Rolling	Ongoing programme of works
Bridge Assessments and Strengthening	713	-	94	713	-	-	Rolling	Ongoing programme of works
Carrington Junction and Relief Road	15,071	4,361	329	7,710	3,000	-	Rolling	Options are being assessed around the delivery of the rationalisation element of the scheme.
<b>TOTAL</b>	<b>32,874</b>	<b>8,991</b>	<b>1,254</b>	<b>14,251</b>	<b>6,720</b>	<b>2,912</b>		

## PLACE – ENVIRONMENTAL SERVICES AND GREENSPACES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000	PREVIOUS YEARS SPEND £000	CURRENT YEARS SPEND £000	REVISED BUDGET 2024/25 £000	REVISED BUDGET 2025/26 £000	REVISED BUDGET 2026/27 £000	EST COMP DATE	SCHEME COMMENTS
Parks Infrastructure	459	-	16	359	100	-	Rolling	Work is being undertaken across multiple sights delivering a programme of works on drainage, surface repairs, patching and potholes and lighting, there has been a delay IN design works to enable certain elements of the schemes.
Play Area Refurbishment	397	-	171	297	100	-	Rolling	There a number of schemes currently underway Stamford Park, Hullard Park and Lostock with work at Ashton Park complete.
Countryside Infrastructure	63	46	-	17	-	-	Mar-25	On target to be spent this year
Longford Park (HLF BID)	1,099	209	-	300	590	-	-	The scheme is awaiting confirmation of award of Heritage Lottery Funding Grant, once confirmed this will be reflected in the programme and a programme of delivery will be developed.
Parks Mandatory Signage	60	57	-	3	-	-	Mar-25	On target to be spent this year
Wilding Trafford	77	72	-	5	-	-	Mar-25	On target to be spent this year
Allotments - Infrastructure Programme	40	6	5	34	-	-	Mar-25	On target to be spent this year
Rainwater Harvesting	45	-	-	5	40	-	-	Works still to be undertaken.
Gorse Hill Park, Stretford - Improvements	50	-	-	-	50	-	Oct-26	It is not anticipated that these works will commence until into the next financial year
Marje Kelly Park, Stretford - Improvements	50	-	-	-	50	-	Oct-26	It is not anticipated that these works will commence until into the next financial year
Outdoor Sports - S106 Funded	53	-	-	-	53	-	-	Schemes being developed
Green Infrastructure S106 Funded	255	68	-	-	255	-	-	Proposed uses of this funding are being developed with schemes that have green infrastructure elements being considered to utilise these resources.
Food Waste Collection Programme	449	-	-	49	400	-	-	Implementation plan being drawn up. Report to Executive in November to approve.
<b>TOTAL</b>	<b>3,097</b>	<b>390</b>	<b>192</b>	<b>1,069</b>	<b>1,638</b>	<b>0</b>		

<b>TOTAL PLACE SERVICIES</b>	<b>179,030</b>	<b>59,178</b>	<b>10,219</b>	<b>53,717</b>	<b>36,757</b>	<b>29,378</b>		
------------------------------	----------------	---------------	---------------	---------------	---------------	---------------	--	--

## GOVERNANCE AND COMMUNITY STRATEGY

<b>SCHEMES</b>	<b>TOTAL APPROVED SCHEME BUDGET £000</b>	<b>PREVIOUS YEARS SPEND £000</b>	<b>CURRENT YEARS SPEND £000</b>	<b>REVISED BUDGET 2024/25 £000</b>	<b>REVISED BUDGET 2025/26 £000</b>	<b>REVISED BUDGET 2026/27 £000</b>	<b>EST COMP DATE</b>	<b>SCHEME COMMENTS</b>
<b>Customer Services</b>								
Sale Library – A Cultural Hub	357	-	-	108	249	-	Jul-25	This scheme is currently going through the procurement process and once complete a programme of works will be finalised.
<b>TOTAL GOVERNANCE AND COMMUNITY</b>	<b>357</b>	<b>-</b>	<b>-</b>	<b>108</b>	<b>249</b>	<b>-</b>		

## FINANCE AND SYSTEMS – ICT

<b>SCHEMES</b>	<b>TOTAL APPROVED SCHEME BUDGET £000</b>	<b>PREVIOUS YEARS SPEND £000</b>	<b>CURRENT YEARS SPEND £000</b>	<b>REVISED BUDGET 2024/25 £000</b>	<b>REVISED BUDGET 2025/26 £000</b>	<b>REVISED BUDGET 2026/27 £000</b>	<b>EST COMP DATE</b>	<b>SCHEME COMMENTS</b>
SAP Systems Landscape - Upgrades	250	28	-	72	150	-	-	Work is currently being undertaken to get cost certainty and update the profiling of resources.
CRM - Update/Replacement	2,097	915	370	1,182	-	-	Oct-24	Work on this scheme is progressing well with October being the go live date.
Device Replacement Programme	1,150	-	-	350	400	400	Rolling	A significant order for 400 laptops has just been placed with the requirement for more being needed
Content Management System	140	-	-	40	100	-	Mar - 26	Scheme rephased with work not yet commenced.
Unsupported Server O/S Migration	134	51	11	21	62	-	-	Work is currently being undertaken to get cost certainty and update the profiling of resources.
Network Replacement	551	263	12	288	-	-	Mar-25	On target to be spent this year

ITrent Replacement	270	13	-	257	-	-	Mar-25	Work on this scheme has commenced
Info Management Serv for Regulatory Serv	610	195	-	215	200	-	Mar-25	On target to be spent this year
Cloud and Data Centre Strategy	510	-	-	-	510	-	-	Requirements for this allocation are being reassessed an update will be provided at P6
Cloud Telephony and Unified Communications	110	-	-	40	70	-	-	Requirements for this allocation are being reassessed an update will be provided at P6
Security Infrastructure - Perimeter Firewall	240	-	118	240	-	-	Mar-25	On target to be spent this year
SAP - ERP Replacement Project	2,000	-	-	30	560	1,410	Mar-27	Work has not yet started on this scheme, but it is anticipated that it will go live in April 27.
RFC - ContrOcc Direct Debits system	20	9	-	11	-	-	Mar-25	On target to be spent this year
Systems & Data Architecture	85	-	-	85	-	-	Mar-25	On target to be spent this year
Business Intelligence - Data Warehouse	200	128	-	72	-	-	Mar-25	On target to be spent this year
Digital Inclusion / Digital Skills	50	32	11	18	-	-	Mar-25	On target to be spent this year
Development / Low Code Solution	301	237	34	64	-	-	-	Work is currently being undertaken to get cost certainty and update the profiling of resources.
IT and Digital Service Transformation	40	-	-	-	40	-	Mar-25	On target to be spent this year
Telephony System / Disaster Recovery	50	-	15	50	-	-	-	Complete – Awaiting final costs
<b>TOTAL FINANCE AND SYSTEMS</b>	<b>8,808</b>	<b>1,871</b>	<b>571</b>	<b>3,035</b>	<b>2,092</b>	<b>1,810</b>		
<b>TOTAL CAPITAL PROGRAMME</b>	<b>254,923</b>	<b>61,682</b>	<b>13,093</b>	<b>73,103</b>	<b>69,372</b>	<b>50,766</b>		

## **Prudential Indicators – 2024/25**

## **Annex 3b**

The Prudential Code for Capital Finance in Local Authority was reviewed and updated following a consultation with Local Authorities in November 2021. The Code requires that the Council report and monitor Prudential Indicators on at least a quarterly basis during the financial year. The objectives of the Prudential Code and indicators are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and to support and record local decision making in manner that is publicly accountable.

The prudential indicators cover the three areas in which the Council is required to report and monitor; Capital Expenditure, External Debt, and Affordability. The indicators are approved and set by the Council in February each year as part of the wider budget setting process. These indicators are then reviewed and restated during the year as part of the periodical budget monitoring.

### **Summary as at Period 4**

#### **Capital Expenditure Indicators**

Since February, the updated indicators for Capital Expenditure show a decrease £1.78m in capital spend in 2024/25. This is in-line with the reprofiling of spend within the programme, as detailed within this report, as certain schemes will now incur costs in later years. The expenditure for the Investment Strategy has been reprofiled to match the cashflows of ongoing property developments which the Strategy is funding, which have expenditure in the later years of the programme.

#### **External debt indicators**

The External Debt indicators for Period 4 are confirmations that the Council are operating within the agreed boundaries for Treasury Management activity as set by Council in February. The debt levels are forecast to increase due to the anticipation that the Council will borrow funds before the end of the financial year to address the level of internal borrowing.

#### **Affordability indicators**

The 'Finance Costs to Net Revenue Stream' forecast for 2024/25 is currently in-line with the forecast included in the budget.

Capital expenditure indicators:

- **Estimates of capital expenditure;** Actual total capital expenditure for previous financial year and estimates of spend for the following three years. Variances found here from the approved indicator level to the current forecast level are due to revisions to the programme, reported through the regular Capital Budget Monitoring and approved by the Executive.
- **Estimates of capital financing requirement;** this reflects the estimated need to borrow for capital investment (i.e., the anticipated level of capital expenditure not financed from capital grants and contributions, revenue or capital receipts).

Prudential Indicators – Capital Expenditure	2024/25			2025/26	2026/27
	Original Forecast	Current Forecast	Variance	Forecast	Forecast
	£m	£m	£m	£m	£m
<b>Capital Expenditure</b>					
Capital expenditure - General Programme	74.89	73.11	(1.78)	69.37	50.76
Capital expenditure - Investment Strategy	77.31	58.85	(18.46)	150.09	7.82
<b>Capital expenditure - Total</b>	<b>152.20</b>	<b>131.96</b>	<b>(20.24)</b>	<b>219.5</b>	<b>58.59</b>
<b>Capital Financing Requirement (CFR)</b>	<b>519.41</b>	<b>461.58</b>	<b>(57.83)</b>	<b>567.01</b>	<b>592.88</b>



## External debt indicators

- **Authorised limit for external debt;** This is a key prudential indicator and represents a control on the maximum level of external debt that the Council will require for all known potential requirements. It includes headroom to cover the risk of short-term cash flow variations that could lead to temporary borrowing and any potential effects arising from bringing “off balance sheet” leased assets onto the balance sheet in compliance with IFRS 16.
- **Operational boundary for external debt;** calculated on a similar basis as the authorised limit but represents the likely level of external debt that may be reached during the course of the year and is not a limit.
- **Gross debt and the capital financing requirement;** The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years **but ensures that borrowing is not undertaken for revenue or speculative purposes.**

Prudential Indicators -	2024/25			2025/26	2026/27
Period 4 2024/25	Approved Limit	Current Forecast	Variance to Limit	Approved Limit	Approved Limit
	£m	£m	£m	£m	£m
<b>External Debt</b>					
Authorised limit for external debt - Capital Programme	280.00	128.82	(151.18)	310.0	310.0
Authorised limit for external debt - Investment Strategy	370.00	260.00	(110.00)	420.0	500.0
Authorised limit for external debt - Other long-term liabilities	3.40	3.38	(0.02)	3.0	2.6
<b>Authorised limit for external debt - Total</b>	<b>653.40</b>	<b>392.20</b>	<b>(261.20)</b>	<b>733.0</b>	<b>812.6</b>
Operational boundary for external debt - Capital Programme	260.00	128.82	(131.18)	290.0	290.0
Operational boundary for external debt - Investment Strategy	370.00	260.00	(110.00)	420.0	500.0
Operational boundary for external debt - Other long-term liabilities	3.40	3.38	(0.02)	3.0	2.6
<b>Operational boundary for external debt - Total</b>	<b>633.40</b>	<b>392.20</b>	<b>(241.20)</b>	<b>713.0</b>	<b>792.6</b>
Forecast capital financing requirement (CFR)		<b>461.58</b>			
Actual external debt (£m): at 31/07/24		<b>336.20</b>			
Forecast external debt (£m) at 31/3/25		<b>392.20</b>			
Forecast Over-borrowed/(Under-borrowed)		<b>(69.38)</b>			
<b>Is Actual/Forecast Debt below the CFR?</b>		<b>YES</b>			

Affordability indicators

- **Estimates of financing costs to net revenue stream;** this indicator shows the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the Council’s net revenue stream. This demonstrates the affordability and proportionality of that borrowing by comparing it to the Council’s net revenue stream as a whole.
- **Estimates of net income from commercial and service investments to net revenue stream;** This indicator compares income from commercial investments to the Council’s net revenue stream. As before, this comparison allows for consideration for the Council reliance on that income and its proportionality.

Prudential Indicators - Period 4 2024/25	2024/25			2025/26	2026/27
	Forecast	P4 Forecast	Variance	Forecast	Forecast
	%	%	%	%	%
<b>Affordability</b>					
Financing Costs to net revenue stream	1.0%	1.0%	0.0%	1.8%	2.7%
Net Income for commercial and service investments to net revenue stream	8.0%	7.5%	(0.5%)	7.8%	7.2%

Affordability - Financing Costs to Net Revenue Stream (Detailed Table)	2024/25 P4 Forecast £k
Net Revenue Stream	214,039
Net Financing Costs *	2,177
<b>Net Financing Costs to NRS</b>	<b>1.00%</b>
Gross Financing Costs	16,735
Gross Investment Interest Income	(14,557)
<b>Net Financing Costs</b>	<b>(2,177)</b>
Using <b>Gross</b> Financing Costs to NRS	7.82%

The prudential indicator requires a comparison between Net Financing Costs and the Net Revenue Budget, however this does not demonstrate fully the risk due to the high levels of investment income that the Council generates. The Gross Investment Interest Income and Gross Financing Costs are more appropriate measure of risk as this is the amount of exposure the council needs to meet.

## Local indicators

Local Indicators are indicators that are not statutorily required but are included in the Council's suite of capital indicators to provide additional transparency and reporting information. The indicators below relate to forecast activity and performance in the Council's Asset Investment Strategy (AIS). The rolling investment nature of the AIS means that income is forecast to decrease in later years as investments mature, to be replaced by new investments within the pipeline yet to be agreed.

The Council has previously used income from its investments to contribute to a Risk Reserve, which had a balance of £11.31m at the end of 2023/24.

Local Indicators	2024/25	2025/26	2027/28
2024 to 2025	£m	£m	£m
<b>Asset investment Strategy</b>			
Gross Income	14.1	14.5	13.1
Financing Costs	10.2	10.6	10.2
<b>Risk Reserve</b>			
Net contributions to/(from) Risk Reserve	(5.0)	(1.6)	(1.3)
Forecast Risk reserve balance at year end	6.3	4.7	3.4