

TRAFFORD COUNCIL

Report to: Executive

Date: 18th November 2024

Report for: Discussion

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

Report Title:

Budget Monitoring 2024/25 Period 6 (April 2024 to September 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 £3.56m, a favourable movement of £652k from Period 4.
- b) Note the update on the three-year Capital Programme as detailed in Section 6 and Annex 3.
- c) Note the expected funding shortfall in capital receipts for the 2024/25 Capital Programme and the proposed work of the Capital Programme Board in managing this shortfall.
- d) 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
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Background Papers: None

CORPORATE PRIORITIES AND GOVERNANCE CONSIDERATIONS	
The Best Start for our Children and Young People	Non arising out of this report
Healthy and Independent Lives for Everyone	Non arising out of this report
A Thriving Economy and Homes for All	Non arising out of this report
Address the Climate Crisis	Non arising out of this report
Culture, Sport and Heritage for Everyone	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 6 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 6

£3.56m Overspend

Movement since Prior Period

£652k Favourable

(*) 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 6

£3.56m Overspend

Comprising of

Overspend on Directorate Budgets

£3.40m

Overspend on Council Wide

£0.16m

Movement since Prior Period

£652k Favourable

Revenue Service Totals	2024/25 Budget £000	Projected Outturn £000	Full Year Variance £000	Change from Prior Period £000
Children's Services	55,833	57,409	1,576	1,204
Adults & Well Being	59,342	60,686	1,344	40
Public Health	13,690	13,481	(209)	(33)
Place	37,933	38,489	556	(1,254)
Strategy & Resources	10,783	10,702	(81)	(100)
Finance & Systems	10,474	10,351	(123)	(11)
Legal & Governance	4,047	4,383	336	9
Total Directorate	192,102	195,501	3,399	(145)
Council-wide budgets	25,888	26,046	158	(507)
Total Budget	217,990	221,547	3,557	(652)

Directorate Budgets	Variance £000	Movement from Prior Period
Children's placements	2,032	1,352
Children's Home to School Transport	(95)	31
Running costs – S17 payments (Childrens)	187	33
Children's income	(251)	(17)
Adults' demand	534	399
Adults' running costs	214	(103)
Staffing (Childrens, Adults, Public Health)	(678)	(521)
Staffing (all other areas)	(1,275)	(222)
General efficiency target (Place and Central)	1,009	0
Strategic Property	0	(1,090)
Energy costs	(199)	(100)
Planning income	149	(98)
Building control income	221	(3)
Projected underachievement of savings	1,094	12
Other	457	182
Directorate Budget Sub-Total	3,399	(145)
Council Wide		
Treasury Management	(962)	(216)
Inflation 24/25 pay award	48	0
Contribution from Inflation Risk Reserve	(48)	0
Housing Benefit/Temporary Accommodation	1,603	0
Contribution from Housing Benefit Risk Reserve	(403)	0
Release of general contingency	(300)	(300)
Council Wide Other	220	9
Council Wide Sub-Total	158	(507)
Net Service Budgets	3,557	(652)

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 6
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 £0.16m deficit

Council Tax

Outturn £0.66m surplus

Underlying Outturn Themes

Overall reduction in rates income of £0.16m due to flagship stores at the Trafford Centre re-entering the rating list with a lower than anticipated rateable value.

A surplus in the Collection Fund due to lower award of rates reliefs, offset by shortfall in Relief Grants in the General Fund.

Underlying Outturn Themes

Tax base surplus £0.20m

Favourable lower level of Council Tax Support £0.56m

Adverse pressure from backdated claims £0.10m

Council Tax

- There is a favourable outturn forecast of £0.66m of which Trafford's share is £0.53m (see Annex 4 for a breakdown of Trafford's share).
- In April 2024 the 100% premium charge on long term empty homes was reduced from 2 years to 1 year. An estimate of additional income was budgeted, however collection is slightly better than anticipated resulting in an estimated £0.20m surplus in the tax base.
- There is a favourable variance of £0.56m in Council Tax Support due to a lower number of claims for awards, however cases are being assessed and this surplus may reduce.
- There is a £0.1m pressure in anticipated backdated claims (changes in banding appeals etc).

- **Outlook** - The government have released legislation regarding long term empties which includes a large number of exemptions applicable from April 2025. Although this will not impact 2024/25, work is being undertaken to assess the impact in 2025/26.
- In line with accounting policy, the in-year surplus will be released in 2025/26, however it may be transferred to the Council Tax risk reserve to smooth the impact of reductions in income as a result of the changes to legislation discussed above.

Business Rates

Period 6 has seen an adverse movement of £0.16m. This consists of a surplus in the collection fund of £2.62m and a deficit in the general fund of £2.78m. The overall shortfall is due to a flagship store at the Trafford Centre re-entering the rating system with a lower than anticipated Rateable Value. Work is ongoing with the VOA to assess if the rateable values impacted by this flagship store need to be reevaluated bringing them back in line with budget.

The use of the Business Rate Risk Reserve will be used to mitigate the impact of the in-year net pressure. The ongoing impact of the lower Rateable Value will be considered during the preparation of the Final budget for 2025/26.

Outlook – 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 ongoing to look at the future health of rateable value and how ongoing developments may impact this.

Section 4 – Earmarked Reserves

Earmarked Reserves

Opening Balance April 2024

£79.90m

Estimated Balance March 2025

£53.12m

Estimated decrease in the year

£26.78m

A detailed review of reserves was undertaken in preparation of the draft 2025/26 budget and a further review will be completed as part of the final 2025/26 budget.

The decrease is largely due to the planned use of Budget Support Reserve, Strategic Investment Reserve, Service Area priorities 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

£5.45m (83%)

Forecast Outturn Below Target by

£1.09m

Further details in **Annex 2**

There are 24 savings schemes with a savings target of £6.55m. Within the Period 6 budget monitor £1.09m (17%) of savings are red rated and £2.59m (40%) amber rated. Those classified as amber rated still require management action to achieve delivery of the saving. Exception reports have been presented to Finance and Change Board but at this point there are still some concerns about the deliverability of the full extent of the savings programme.

At this stage a prudent assumption is that approximately £1.09m of the programme is unlikely to be delivered in 2024/25; as part of the exception reporting, consideration continues to be focused on what mitigating actions can be implemented.

Period 6 forecasts indicate 6 schemes will fall short of this target by £1.09m (17%):

- Place - Strategic Estates - £212k (positive movement of £18k)
- 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 - £142k (adverse movement of £30k)

Section 6 – Capital Programme

Capital Programme 2024/2027

Capital Programme 2024/27 at P4

£193.24m

Revised Capital Programme 2024/27 at P6

£193.62m

Increase in 2024/27 programme

£380k

- City Region Sustainable Transport Settlement Funding from TfGM for Trafford Red Routes of £380k

2024/25 Performance to Date and Funding

	2024/25 P6 Revised Budget £m	2024/25 P6 Actuals £m	Performance Against Budget £m
Children's Services	10.99	2.57	23.38%
Adult Social Care	3.76	1.57	41.75%
Place	51.30	18.99	37.01%
Governance and Community	0.11	0.00	0.00%
Finance & Systems	3.03	1.17	38.61%
General Programme Total	69.19	24.30	35.12%
Grants	41.92		
External Contributions	4.77		
Revenue and Reserves	1.75		
Prudential Borrowing	11.82		
Forecast Capital Receipts	2.29		
Deficit (in year)/Overprogramming	6.64		
Overall Funding	69.19		

Specific Scheme Update

- Planned works at Sale West Youth and Community Centre programmed for 2025/26 totalling £270k has been bought forward due to boiler failure with a new system needing to be installed before winter.
- Adaptations for foster carers originally on five Registered Social Landlord Properties is now only scheduled to take place at two with three connected carers being identified to replace these so resources are being reprioritised to these.
- The contractor appointed for works at Altrincham College has gone into administration which has delayed start on site until new contractor is found a process that is already well underway. As a result, £1.5m of the current year's budget will be reprofiled to the 2025/26.
- The Mayors Challenge Fund programme of works requires a realignment of budget of £2.8m. Although the overall allocation for the programme is known, there is a staged approach to the delivery where individual tranches of work are subject to its own approval process through TfGM.

General Programme Update

There is an in-year forecast funding shortfall of £6.64m as a result of capital receipts not being realised within original timescales or at the level previously assumed. The Capital Programme Board will undertake an exercise to mitigate the impact of the funding shortfall

to identify the potential to rephase as many schemes as possible which are financed from capital receipts to 2025/26. This will be reported to Executive in period 8.

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 £304k
High Needs Block - Forecast Overspend £10.67m

Total Outturn
£10.37m 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 £20.09m
Of which High Needs overdrawn £21.84m

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 £10.37m. An overspend of £10.67m in the High Needs Block has been offset by an underspend of £304k on the remaining blocks.

The overspend in 2024/25 will result in a year end accumulated DSG deficit of £20.09m, consisting of a High Needs deficit of £21.84m, offset by a surplus on other blocks of £1.75m.

It is expected that LA's balance their in-year spending by 2025/26, however Trafford will not 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 November 2024 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 £3.56m for the year, a favourable variance of £0.65m from Period 4.**
 - 1.1. Although there is a favourable variance of £0.65m from Period 4, there are a number of significant underlying adverse pressures, the key movements include:
 - £1.35m adverse movement in Children’s placements, due to new placements, increase in complexity and delays in step downs to lower cost placements.
 - £0.4m adverse movement in adults demand largely due to an increase in demand and complexity, a single high needs Mental Health client and a children’s placement transitioning to adult’s care.
 - £0.74m further savings in staffing budgets as a result of the vacancy management controls and difficulties in recruitment.
 - A reduction in the contribution to the Strategic Investment Fund Risk Reserve of £1.1m to offset in-year pressures in this programme.
 - Other favourable movements of £0.52m largely due to £0.22m in Treasury Management as a result of careful cash management and £0.3m release of general contingency.
 - 1.2. Any adverse outturn will need to be met from unallocated earmarked reserves and given that these have already been written down to prudent levels, it is imperative that further mitigating actions are considered.
 - 1.3. This mid-year monitor can be used with more certainty of the potential final outturn and to give a general direction of travel. In addition, it can highlight any significant areas of concern which may not just impact on the current year, but also when preparing future budgets. The draft budget for 2025/26 included additional growth of £2.5m to reflect some of the recurrent pressures identified during the Period 4 monitor, with £1.0m relating to Children’s placements, £1.0m for Housing Benefit/Temporary Accommodation and £0.5m for unachieved savings in the Adult’s 2024/25 programme.
 - 1.4. With regard to the net outturn position, the main areas of concern identified in the Period 6 monitor are:
 - £1.09m projected underachievement of savings
 - £2.03m Children’s adverse pressures in placements
 - £1.20m Housing Benefit/Temporary Accommodation Pressure
 - £0.53m Adults demand
 - 1.5. A projection of £1.09m 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 the delivery of savings continues to be monitored, and robust actions continue to be progressed to ensure all savings are delivered in full. To aid the delivery of savings detailed progress and exception reports are presented on a regular basis to the Finance & Change Board.

- 1.6. The fact that Children's placements forecast has deteriorated since period 4 and the unachieved savings remains at £1.09m suggests additional resource in 2025/26 may be required. The final budget will be considered by the Executive in February 2025 and will reflect any changes to assumptions informed by this and future monitors.
- 1.7. In addition to the above, 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 £10.67m with the brought forward deficit of £11.16m results in an estimated High Needs Block deficit of £21.84m. It is expected that LA's balance their in-year spending by 2025/26 however this is something that Trafford will not be able to do. 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 1st 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.
- 1.8. 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 - £962k underspend**, £216k favourable variance from Period 4. 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 £1.95m**, £743k favourable variance from Period 4. This is due to some management controls on non-frontline service recruitment and service restructures. This underspend has been a significant factor in the overall favourable outturn in the recent financial years. Typically, this figure increases further as the year progresses due to difficulties in recruitment. However, it is expected that the year-on-year trend of difficulties in recruitment has been reflected in the forecast. 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 - £95k underspend**, £31k adverse variance from Period 4 due to increased cost of casual staff covering absences. 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 - £251k favourable**, £17k favourable variance from Period 4. It is worth noting that there is £563k of income built into the projections from the Integrated Care Board (ICB), however there is a risk this may not be received due to pressures on ICB budgets.
- **Energy costs - £199k underspend**, £100k favourable movement. £99k of the underspend relates to property energy costs and £100k relates to street lighting energy. The underspends reflect 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.
- **Release of the general contingency - £300k favourable outturn**. The Council-wide budget includes a general contingency of £1.14m used to offset a number of commitments currently totalling £0.54m, leaving an uncommitted balance of £0.6m. It is therefore considered prudent at this stage in the financial year to release a proportion of this contingency to the value of £0.30m.

Pressures include:

- **Children's placements £2.03m overspend**, £1.35m adverse movement mainly due to an increase in new placements and additional costs of existing placements. It is worth noting the £500k saving in the savings programme associated with the existing cohort of children has been met. 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. The remaining contingency for new placements for the remainder of the year is £211k.
- **Running costs – S17 payments (Childrens) - £187k overspend**, £33k adverse movement from Period 4. 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 - £534k overspend**, £399k adverse variance from Period 4 mainly due to a Children's placement transitioning to adult social care and one individual with Mental Health needs. 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 £445k to mitigate rising costs because of increasing complexity of existing clients and demand from new clients.
- **Adults running costs - £214k overspend**, a £103k favourable movement from Period 4 due to an improvement in minor variations across the service budget.
- **General efficiency target - £1.01m**. There is a general service budget efficiency target of £1.01m 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** – The local government pay award negotiations for 2024/25 have been finalised. The cost of the 2024/25 pay award is 4.01% compared with a 4.0% budget assumption and results in a **£48k budget pressure which will be met from the Inflation Risk Reserve**. This is in line with what was reported at Period 4.
- **Planning and Building Control Income - £149k** (£98k favourable movement) **and £221k** (£3k favourable movement) **overspend respectively** due to a shortfall in planning and building control applications.
- **Savings not met - £1.09m adverse**, £12k adverse movement from Period 4. Estates savings have been rephased across the next two years with an anticipated shortfall of £212k this year (£18k favourable movement). Work is ongoing to mitigate this pressure, such as from several ongoing business rate appeals. £0.88m (£30k adverse movement) 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, no movement**. The pressure is largely due to the significant costs associated with B&Bs and temporary accommodation. On average the volume of B&B accommodation is forecast to be c40% higher since the budget was set for 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. As a result of this pressure, £1.0m was added to the 2025/26 Draft Budget.
- **Other net adverse movements of £457k across all areas**, £182k adverse movement from Period 4. £271k of this pressure is from additional legal fees particularly relating to caseload demand from Social Care.
- **Council Wide Other - £220k overspend**, £9k adverse movement from Period 4. The projected cost of Trafford's share of the South Manchester Coroners' service is currently expected to be £145k 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 £75k relates to other minor net variances.

Other considerations

- **Strategic Investment Programme – nil variance, £1.09m favourable movement.** 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 £5.16m, which is a shortfall of £0.88m 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. To offset the forecast deficit, the Council will now make reduced contributions to its Risk Reserve, which will increase the net income to the £6.04m target, with a nil variance to budget.
- **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 £211k and £445k remain in Children's and Adults client placement budgets. £300k remains of the general Council Wide contingency after commitments and a partial release have been made.

Revenue Budget Funding and Collection Fund

1.1. Council Tax

1.1.1. There is an estimated in year surplus of £0.66m of which Trafford's share is £0.53m. This is largely due to better than budgeted collection of the introduction of 100% premium for long term empties after 1 year. In addition, there is lower levels of Council Tax Support, however this surplus may reduce at Period 8 following a detailed analysis of cases.

1.1.2. The in-year surplus will be released in 2025/26, however may be transferred to the Council Tax risk reserve to smooth the impact of reductions in income as a result of the changes to legislation from April 2025 regarding empty properties.

1.2. Business Rates

1.2.1. As at period 6 there is an estimated in year deficit of £0.16m. This is due to a flagship store at the Trafford Centre having a Rateable Value lower than anticipated. The Valuation Office Agency are responsible for setting the Rateable Values of businesses and discussions are ongoing with them to assess if the Rateable Values of all businesses impacted by this flagship store are at an appropriate level given the increased footfall in the area.

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 2025/26 draft budget and a further update will be provided at the time of the final budget.

2. Summary

2.1. The forecast adverse outturn of £3.56m has potential to impact on the financial sustainability of the Council, given the low level of unallocated reserves. It is therefore imperative that further mitigating action is identified to avoid what would be an unplanned use of reserves of £3.56m. The current management action, which includes a policy on vacancy management and restrictions on all non-essential spend, undoubtedly has 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 restrictions on 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 Children 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 13 November. Also, the Finance & Change Board will continue to 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 £3.56m.
- b) Note the update on the three-year Capital Programme as detailed in Section 6 and Annex 3.

- c) Note the expected funding shortfall in capital receipts for the 2024/25 Capital Programme and the proposed work of the Capital Programme Board in managing this shortfall.
- d) Note the management actions and mitigating actions as detailed in Paragraph 2.2 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.

Key Decision: No

Finance Officer ClearanceGB/DM.....

Legal Officer ClearanceEM.....

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 £3.56m, any changes to budget assumptions and associated key risks are highlighted below:

Table: Main variances	Forecast Variance (£000's)	Explanation/Risks
Children's Services	1,576	<p>Projected outturn variance £1.576m adverse, adverse variance of £1.204m.</p> <p>Below is the projected position on children's placements and other budget areas.</p> <ul style="list-style-type: none"> • £1.621m over budget on children's placements (note 1) • £312k under budget on staffing (note 2) • £95k under budget on home to school transport (note 3) • £362k over budget on other running costs and income across the service (note 4) <p>Note 1 Children's placements are expected to overspend by £1.621m. This is an adverse movement of £1.310m. The reasons for this variance are as follows:</p> <ul style="list-style-type: none"> • £426k new placements • £742k new step-up • £788k step-down delayed • £94k move did not take place <p>These are offset by £740k step downs, moves not taking place, children leaving care and also includes £464k contingency. The remaining contingency for new placements for the remainder of the year is £211k.</p> <p>Each placement is reviewed monthly at a High Cost Placement Clinic to ensure that expected savings and those reductions anticipated from step downs above the formal savings programme will be made, RAG ratings are reviewed and reflected in the monitoring position.</p> <p>The expected savings programme of £500k has been met in full.</p> <p>There is a risk that the income received from health that has been built into the projections (£530k) will not be received due to pressures on ICB budgets. This risk is also being monitored at the High Cost Placement Panel.</p> <p>The numbers of children as at the end of September compared to those at the end of July are as follows:</p>

- children in care 355, a decrease of 2
- child protection 198, an increase of 22
- children in need 602, a decrease of 116

Note 2

The favourable variance in staffing is £312k, this is a favourable movement of £223k from Period 4 due to delays in recruitment to the Early Help restructure, slippage on recruitment to posts being filled in Provider Services, the Children's Admin Team and Vulnerable Adolescent Services, and recruitment to vacant posts being on hold in Cared for and Care Experienced Service due to an impending restructure.

Note 3

The projected underspend on Home to School Transport is £95k. This is an adverse variance of £31k from P4 due to increased cost of casual staff covering absences.

Note 4

The adverse variance in running costs and income across the service is £362k, an adverse variance of £87k from Period 4 as outlined below:

- £15k adverse variance on Partington & Sanyu nurseries, an adverse variance of £29k from P4 due to increased running costs;
- £598k adverse variance in running costs, an adverse movement of £75k due to:
 - S17 costs £187k adverse, an adverse movement of £33k since P4. The reasons for the overspend are:
 - Payments required for support at home to prevent entry in to care;
 - Accommodation costs for 2 families with no recourse to public funds; and
 - Support worker costs for a young person with complex mental health needs whilst in hospital.
 - Other costs £411k adverse, an adverse movement of £42k since P4 – this overspend 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.
- £251k favourable variance on income, a favourable movement of £17k.

<p>Adult's & Well Being</p>	<p>1,344</p>	<p>Projected outturn variance £1.344m adverse an adverse movement of £40k from period 4.</p> <p>Below is the projected position on adult clients and other budget areas.</p> <ul style="list-style-type: none"> • £1.366m adverse variance on Adults Clients a £429k adverse movement from period 4 (note 1). • £22k favourable variance on staffing and running costs a favourable movement of £389k from period 4 (note 2). <p><u>Note 1</u> Adults Clients £1.366m 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> <p>Packages of Care – The projected outturn position is a £534k adverse variance and an adverse movement of £399k from period 4. Within this projection is a contingency of £445k to mitigate rising costs because of increasing complexity of existing clients and demand from new clients. Key reasons for the adverse movement are as follows:</p> <ul style="list-style-type: none"> • Cost of a Children's placement transitioning to Adult Social care at a projected £261k per annum. • One individual with Mental Health needs entering the service with a cost of £279k per annum. • £186k increase to the cost projection due to new demand and increasing cost of existing clients. • Mitigations applied £327k through review of provisions and application of grant funding. <p>Savings – The savings target for 24/25 is £1.714m and it is anticipated that only £882k of this target will be achieved in this financial year resulting in an in-year budget pressure of £832k. 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 is 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 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</p>
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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.

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.

The demand for Discharge to Assess beds has reduced in 24/25 as a result of successful reablement, meaning that more individuals are returning home following a hospital discharge. The Council currently have 18 block beds however average occupancy in this financial year is 65%. Capacity will therefore be reviewed to ensure the most effective use of the hospital discharge funding.

Note 2

The projected outturn position for staffing and running costs is a £22k favourable variance. The breakdown of the variance is as follows:

- £263k adverse variance in the DOLS service due to increasing demand for external Best Interest Assessments £214k and the cost of additional agency support £49k.
- £85k favourable variance due to vacancy savings and minor variations across the service budget.
- £250k favourable adjustment to staffing projections to account for optimum bias on recruitment assumptions.
- £50k adverse variance due to projected underachievement of savings.

The £1.010m vacancy factor included within the budget will be achieved in full by the end of the financial year.

Savings – The savings target for 24/25 is £50k. 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.

Potential Mitigations in year

- Accelerate the step down of individuals from high cost LD/MH placements and undertake a review of 1-1 support.
- Potential release of monies held in provision for Dowries.

Potential Mitigations 25/26

- Review of contributions made to health services.
- Review of Our Place.
- Review of services provided to partner organisations, ensuring full cost recovery.

		<p><u>Risks/Issues</u></p> <p><u>Continuing Healthcare</u> Adult Social Care is experiencing a significant increase in individuals requiring financial support for care packages who were previously deemed eligible for Continuing Health Care funding from the NHS. The 24/25 financial impact on the Council is being assessed along with the impact upon the Council's 25/26 and future years budget assumptions.</p> <p>This issue is affecting Local Authorities nationwide and regional responses are being collated to Integrated Care Boards.</p> <p><u>Our Place (Residential care home)</u> The Council owns the 39-bed residential care home situated in Sale. The service delivery at the property is provided by an independent provider. Due to fire safety issues and restrictions on admissions the occupancy is currently at 16 beds. The Council continues to pay the provider for the full value of the contract as the enforced restrictions on admissions are of no fault of the provider.</p> <p>The Council are therefore sourcing residential beds from other provision in the market as the beds at Our Place are not accessible.</p> <p><u>Intermediate Care</u> The consultancy review referenced in previous monitoring reports has now been concluded and the findings report is in the process of being finalised.</p>
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Public Health	(209)	Public Health is forecasting a £209k favourable variance as at period 6 a favourable movement of £33k from period 4. This is due to projected expenditure on staffing below budget of £80k and £129k favourable variance on running costs.
Place	556	<p>Total forecast outturn variance £556k adverse, a favourable movement of £1.25m.</p> <p>Place Revenue Budget £556k adverse, favourable movement of £164k:</p> <ul style="list-style-type: none"> • There are projected shortfalls in income of £243k in Parking Services (due to the now open Regent Road car park being later than expected) (increased by £51k), and £221k Building Control (reduced by £3k). Public Protection income is also £43k below budget (increased by £24k). • The Planning service is a ringfenced account and has a shortfall in income of £149k, which is offset by an underspend of £81k in staffing, running costs and reserve contributions. This is a forecast net overspend of £68k for the year (reduced by £106k following a review of major applications). • Property costs are £179k above budget which includes for ongoing security at Trafford Town Hall and Sale Waterside (increased by £40k). 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 (unchanged). Other running costs are £9k underspent (adverse movement £8k). • Property energy costs are forecast to be £99k below budget (unchanged) and there is forecast underspend of £100k in street lighting energy reported this period. The underspends reflect 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. • Estates savings have been rephased across the next two years with an anticipated shortfall of £212k this year (reduced by £18k). Work is ongoing to mitigate this pressure, such as from a number of ongoing business rate appeals. • There is additional projected income above budget for Altair £120k, airport rent £98k, other let estate £38k and outdoor media advertising £53k (reduced by £34k). • Staff vacancies for the year are currently estimated at £449k (excluding the ringfenced Planning account) (increased by £94k) which is approximately 4.4% of the staffing budget.

		<p>This is offset by the Directorate-wide efficiency saving of £346k.</p> <p>Strategic Investment Programme – nil variance, £1.09m favourable movement from Period 4.</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 £5.16m, which is a shortfall of £0.88m 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. To offset this deficit, the Council will make reduced contributions to its Risk Reserve, which will increase the net income to the £6.04m target, with a nil variance to budget.</p>
Strategy & Resources	(81)	<p>Total forecast outturn variance £(81)k favourable, a favourable movement of £(100)k.</p> <ul style="list-style-type: none"> • Staff costs are estimated to be £461k less than budget across the Directorate based on actual and forecast vacancies across the whole year (increased by £114k), which is 4.6% of the total staffing budget. • Running costs are forecast to be £55k overspent. This has increased by £33k due to contract costs and ICT costs. • Income is projected to be £89k above budget (increased by £19k). This mainly relates to trading services and includes net £69k Bereavement Services (increased by £40k), and £34k from the Music Service (increased by £22k), offset by a shortfall of £26k in Catering and Cleaning (£55k adverse movement). Other income is £12k above budget including from libraries (£12k favourable movement). <p>These are offset by the budgeted Directorate-wide efficiency saving target of £414k.</p>
Finance & Systems	(123)	<p>Total forecast outturn variance £(123)k favourable, a favourable movement of £(11)k.</p> <ul style="list-style-type: none"> • Staff costs are estimated to be £389k less than budget across the Directorate based on actual and forecast vacancies for the whole year (increased by £37k), which is 3.7% of the total staffing budget. • Running costs are forecast to be underspent by £1k (favourable movement of £13k). • Income is projected to be £18k below budget. This is an adverse movement of £39k and includes reduced estimated levels of grants in Exchequer Services.

		These are offset by the budgeted Directorate-wide efficiency saving target of £249k.
Legal and Governance	336	<p>Total forecast outturn variance £336k adverse, adverse movement of £9k.</p> <ul style="list-style-type: none"> • Staff costs are estimated to be £24k above budget (adverse movement of £23k) and includes for agency costs covering vacancies and service demand. • Running costs are projected to be overspent by £271k, which has reduced by £17k. This relates to additional legal fees, particularly relating to caseload demand from social care. • There is a projected shortfall in income of £41k compared to budget (increased by £3k). This includes £81k in land charges (increased by £7k) and £22k in capital fee income which is related to staff vacancies. This is offset by SLA and other income of £20k above budget assumptions (reduced by £5k) and £42k from Registration Services (£9k increase).
Council-wide	158	<p>Projected Outturn variance, £158k adverse, a favourable movement of £507k since Period 4.</p> <p>Treasury Management</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 £962k in treasury costs in 2024/25, a favourable movement since period 4 of £216k.</p> <p>Pay Award</p> <p>The local government pay award negotiations for 2024/25 have been finalised. The cost of the 2024/25 pay award is 4.01% compared with a 4.0% budget assumption and results in a £48k budget pressure which will be met from the Inflation Risk Reserve. This is in line with what was reported at Period 4.</p> <p>Housing Benefit</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 and Breakfast (B&B) 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 B&B accommodation, where</p>

		<p>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 2024/25 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&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>Coroner's Budget</p> <p>The projected cost of Trafford's share of the South Manchester Coroners' service is currently expected to be £145k higher than budget (£4k adverse movement). 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>Contingency</p> <p>The Council holds a contingency of £1.14m which includes a reduction of £500k from 2023/24 as part of our budget plans. There are a number of commitments totaling £536k including 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>There is a remaining balance of £600k. It is therefore considered prudent at this stage in the financial year to release a proportion of this contingency to the value of £300k. It is assumed the remaining £300k balance will be fully committed.</p> <p>Other minor net variances of £75k.</p>
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Dedicated Schools Budget	10,370	Projected Outturn variance - £10.37m adverse.																											
		<table border="1"> <thead> <tr> <th data-bbox="560 255 967 398">P6 monitoring</th> <th data-bbox="967 255 1134 398">Grant £000</th> <th data-bbox="1134 255 1321 398">Forecast outturn £000</th> <th data-bbox="1321 255 1490 398">P6 Variance £000</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 398 967 472">Schools Block</td> <td data-bbox="967 398 1134 472">215,423</td> <td data-bbox="1134 398 1321 472">215,189</td> <td data-bbox="1321 398 1490 472">(234)</td> </tr> <tr> <td data-bbox="560 472 967 577">Central Schools Services Block</td> <td data-bbox="967 472 1134 577">1,496</td> <td data-bbox="1134 472 1321 577">1,426</td> <td data-bbox="1321 472 1490 577">(70)</td> </tr> <tr> <td data-bbox="560 577 967 651">High Needs Block</td> <td data-bbox="967 577 1134 651">42,618</td> <td data-bbox="1134 577 1321 651">53,291</td> <td data-bbox="1321 577 1490 651">10,674</td> </tr> <tr> <td data-bbox="560 651 967 725">Early Years Block</td> <td data-bbox="967 651 1134 725">29,853</td> <td data-bbox="1134 651 1321 725">29,853</td> <td data-bbox="1321 651 1490 725">0</td> </tr> <tr> <td data-bbox="560 725 967 786">TOTAL DSG</td> <td data-bbox="967 725 1134 786">289,389</td> <td data-bbox="1134 725 1321 786">299,759</td> <td data-bbox="1321 725 1490 786">10,370</td> </tr> </tbody> </table>	P6 monitoring	Grant £000	Forecast outturn £000	P6 Variance £000	Schools Block	215,423	215,189	(234)	Central Schools Services Block	1,496	1,426	(70)	High Needs Block	42,618	53,291	10,674	Early Years Block	29,853	29,853	0	TOTAL DSG	289,389	299,759	10,370			
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		<p>The DSG is expected to overspend by £10.370m, this is an adverse movement of £63k from Period 4.</p>																											
		<p>The Schools Block is expected to underspend by £234k, this is an adverse variance of £92k from Period 4. This is due to the redundancy costs for schools with deficit budgets.</p>																											
		<p>The Central School Services Block (CSSB) is expected to underspend by £70k, this is an adverse movement of £18k.</p>																											
		<p>The High Needs Block is expected to overspend on the budget set by £310k however, the budget set was £10.363m more than the grant allocation received, therefore the in year over spend is £10.674m, a favourable movement of £48k.</p>																											
		<p>The variances to budget are as follows:</p>																											
		<ul style="list-style-type: none"> • Education Health Care Plans (EHCPs) £459k overspend. The number of EHCPs is 4% higher than anticipated when the budget was set. No variance from P4. • Small Specialist Classes £232k underspend. There was a plan to open 20 extra primary SSC places from September 24 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 P4. • Behaviour and Attendance & other central SEN budgets £136k under spend, favourable variance of £65k. 																											

- Special Schools - £73k overspend, an adverse variance of £17k from P4 due to additional top-up payments.
- 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 negative high needs block reserve of £11.164m, leaving an overall deficit of £21.838m.

DSG Reserve	1 April 2024 £000	P6 Forecast outturn £000	31 March 2025 Projection £000
Schools Block (SB)	(1,045)	(234)	(1,279)
Central Schools Services Block (CSSB)	(400)	(70)	(470)
High Needs Block (HNB)	11,164	10,674	21,838
Early Years Block (EYB)	1	0	1
TOTAL DSG Reserve (surplus)/deficit	9,720	10,370	20,090

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 capacity in borough isn't sufficient, which will impact on our ability to reduce the deficit.

The mitigations that have been identified to address these risks are as follows:

- 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);

		<ul style="list-style-type: none"> • 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; • 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; • 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; • Ensure the staffing structure for SEND casework is appropriate; • Ensure robust sufficiency & placement planning through the use of the High Needs Capital Provision allocation to provide places in both primary and secondary settings in the future. <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>The F40 Group (of which Trafford is a member) works on behalf of the 43 lowest funded Authorities to highlight education funding issues and lobby government on their behalf. They recently held a briefing session for MP’s in Westminster presenting the current inequities in educational funding and SEND funding crisis.</p> <p>Separately the National Audit Office (NAO) has recently issued a report highlighting both lack of funding and poor value for money in SEND funding and the need for reform.</p> <p>https://www.nao.org.uk/reports/support-for-children-and-young-people-with-special-educational-needs/</p>
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Theme/Title	Service Area	Budget 2024/25 £000's	Outturn Projection 2024/25 £000's	Gross Variance 2024/25 P6 £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	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	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	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
Sub-Total Children's		(751)	(751)	0	0	0				
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		50	Review level of contribution to bad debt provision	RED	AMBER	The achievement of this saving is dependant upon the level of ASC debt at the end of the financial year. An in year review has identified it is highly unlikely this saving will not be met due to a significant

										increase in the level of debt.
Reduction in demographic growth budget	Adults	(200)	0	200		200	Reduction in demographic growth budget	RED	AMBER	The achievement of this saving is contingent on achieving a minimum of break even outturn position on the Adults clients budget. The 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		290	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 dependance 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.

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		200	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)	(194)	142		142	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.
Sub-Total Adults		(1,764)	(882)	882	0	882				

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)	(178)	212		212	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			
Sub-Total Place		(1,820)	(1,608)	212	0	212				
Traded Services - Star	Finance & Systems	(50)	(50)	0		0	Traded Services income - increase in contributions to offset pay and cost inflation.	GREEN	GREEN	
Sub-Total Finance & Systems		(50)	(50)	0	0	0				
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
Sub-Total Strategy & Resources		(760)	(760)	0	0	0				
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
Sub-Total Council Wide		(1,400)	(1,400)	0	0	0				
TOTAL SAVINGS AND INCOME PROPOSALS		(6,545)	(5,451)	1,094	0	1,094				

Approved Budget

1. The overall value of the indicative capital programme for 2024/25 to 2026/27 is £193.62m an increase of £0.38m on the position as reported at P4. This relates to additional CRSTS Funding from TfGM for Trafford Red Routes of £0.38m.

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

	Budget £m's
Approved Three Year Capital Programme (February 2024)	154.56
Reprofiled Budget (Reported in 2023/24 Outturn)	30.50
Increase in funding	7.75
Revised P2 Budget	192.81
Increase in funding	0.43
Revised P4 Budget	193.24
Increase in funding	0.38
Revised P6 Budget	193.62

2. Since previous reporting, there have been significant changes to two specific schemes: Altrincham College and the Mayors Challenge Fund programme. This has required the forecast of delivery in 2024/25 to be adjusted. Details of the issues are detailed in the specific scheme update section later in this report (paragraphs 8 to 11). As a result of these changes and the additional CRSTS funding detailed above, the revised budget for the financial year 2024/25 is now £69.19m.

	Budget £m's
Revised 2024/25 Budget (P4)	73.11
<i>New Funding:</i>	

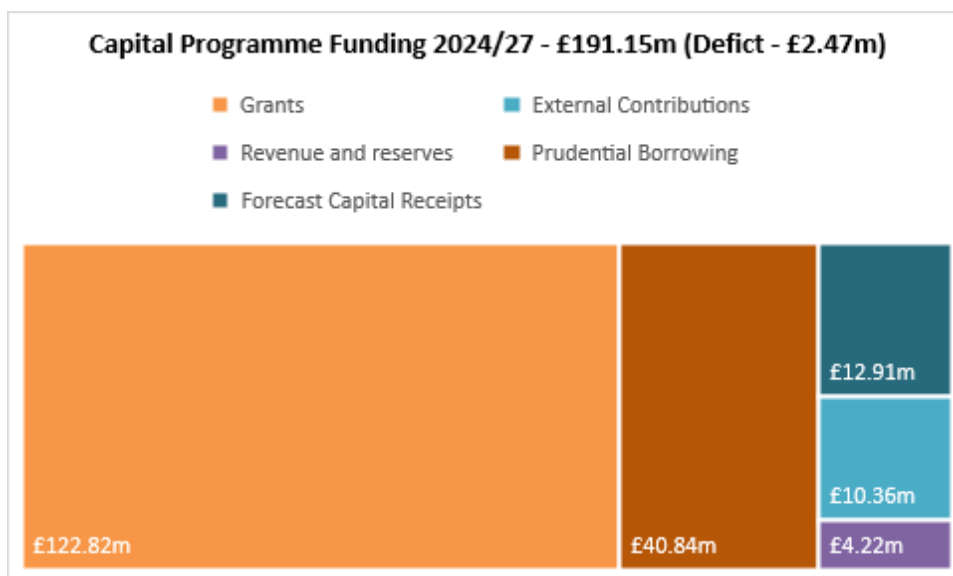
Trafford Red Routes - CRSTS	0.38
<i>Budget Adjustments:</i>	
Altrincham College	(1.50)
Mayors Challenge Fund	(2.80)
Revised 2024/25 Budget (P6)	69.19

3. The revised delivery phasing of three-year capital programme is detailed in the following table:

	2024/25 Revised Budget	2025/26 Revised Budget	2026/27 Revised Budget	TOTAL BUDGET
Service Analysis:	£m	£m	£m	£m
Children's Services	10.99	28.68	16.88	56.55
Adult Social Care	3.76	3.09	2.70	9.55
Place	51.30	39.56	29.37	120.23
Governance and Community	0.11	0.25	0.00	0.36
Finance & Systems	3.03	2.09	1.81	6.93
General Programme Total	69.19	73.67	50.76	193.62

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).



5. The overall shortfall in the programme over three years is £2.57m of which £6.64m is the in-year shortfall, which is the result of the Council's land sales programme being rephased to later years. Any shortfall will need to be met by short-term borrowing, which will be repaid by receipts in future years. At this level there is an associated revenue cost to the borrowing of c.£330k per annum until receipts are realised.

To avoid adding a revenue pressure to the Council, a cessation of expenditure would be required on those areas funded through capital receipts, the key areas of which are below:

- Highways spend above grant funding levels targeting additional highways and integrated transport work, and the programme of works for both street lighting and bridges.
- Works on the Council's property estate to relating to health and safety, building improvements and accessibility issues.
- Supporting and upgrading the Council's ICT infrastructure.

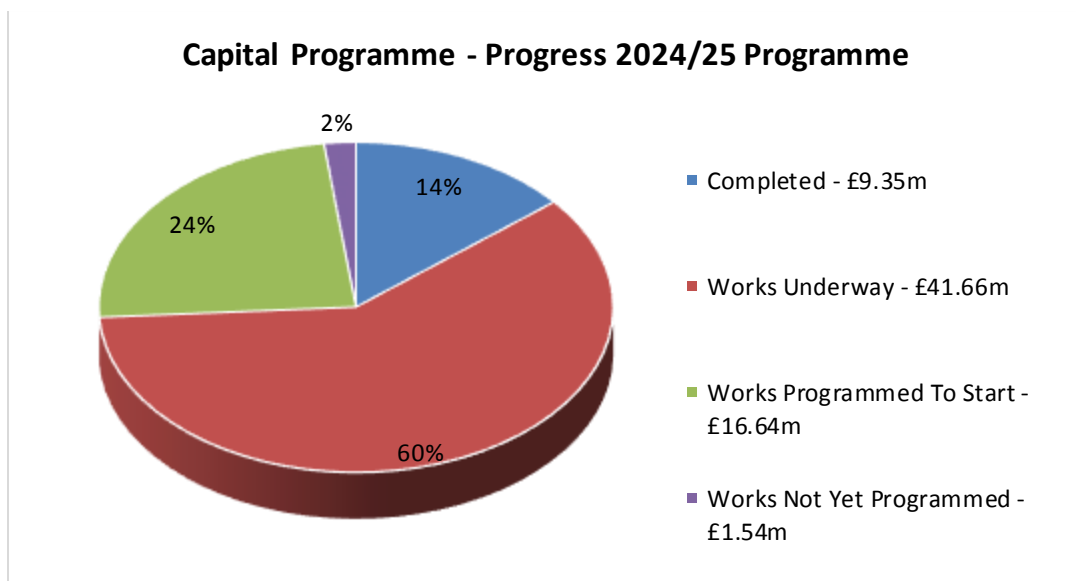
Any cessation of expenditure will come with risk where contracts are already committed, as there may be legal and financial penalties. Any delays in delivery may also result in cost increases, which would mean previously approved resources may not be sufficient to carry out original programmes of work.

The Capital Programme Board will undertake an exercise to mitigate the impact of the funding shortfall to identify the potential to rephase as many schemes as possible which are financed from capital receipts to 2025/26. This will be reported to Executive in period 8.

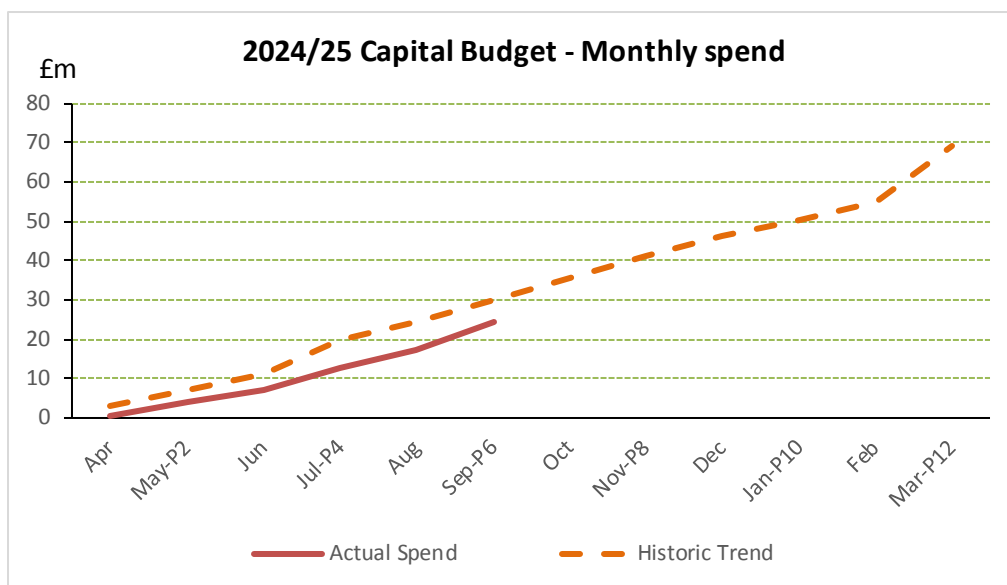
Scheme Performance

- 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.



- To date this financial year there has been spend of £24.30m which is an increase of £11.21m from the previously reported position of £13.09m at P4. There will be an element of lag excluded from this figure with works being undertaken but invoices not yet received, paid or subject to verifications. The table below shows the spend to date against a historically trended cost projection.



Specific schemes are detailed, in Appendix 3(a) with profiling of remaining budgets, spend to date and progress status.

Specific Scheme Comments

8. The planned allocation of the Corporate Landlord budget for works at Sale West Youth and Community Centre of £270k was due to be spent in 2025/26. The boiler system of the site, however, has failed and as a result urgent repairs need to be undertaken to install a new system before the winter period to ensure there is no impact on services. Under the delegated authority of the Director of Place and the Director of Finance and Systems this work has been advanced to the current financial year. To ensure that the approved budget for Corporate Landlord for the current year remains unchanged, resources currently not committed within the programme have been realigned to 2025/26.
9. The proposal for adaptations works at Registered Social Landlord properties for foster carers was originally for five properties. Now work is only scheduled to take place at two. Alternative works for three connected carers homes have been identified and are currently awaiting approval so the uncommitted resources on this scheme will be reallocated still under the heading of foster care adaptations.
10. The contractor appointed to carry out works at Altrincham College has gone into administration which has led to delay in the start on site. This means that £1.5m of works initially planned for this financial year will need rephasing to 2025/26. Work is being undertaken through the relevant framework to procure a new contractor to deliver this scheme. The desired outcome from this process is to ensure that we have a delivery partner that can see the scheme built within the original approved budget and within the same timescales.
11. The Mayors Challenge Fund programme of works requires a realignment of budget of £2.8m. Although the overall allocation for the programme is known,

there is a staged approach to the delivery where individual tranches of work are subject to its own approval process through TfGM. Within the programme there has been elements of the scheme that have identified cost savings, and there is a revised programming of works which has been agreed with TfGM.

Asset Investment Fund

12. 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 £278.8m 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	Repayments	Actual Spend 2024/25	Future Years Commitment	Total
	£m	£m	£m	£m	£m
Property Purchase	62.5	0.0	0.0	0.0	62.5
Property Development	12.3	0.0	0.2	0.9	13.4
Equity	45.7	0.0	0.3	8.1	54.1
Development Debt	154.7	(27.1)	26.1	84.1	237.8
Total Capital Investment	275.2	(27.1)	26.6	93.1	367.8
Treasury Investments	17.6	(13.6)	0.0	-	4.0
Total Investment	292.9	(40.7)	26.6	93.1	371.8

13. The forecast net income level is £5.16m, which is a shortfall of £0.88m 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.

To offset this deficit, the Council will make reduced contributions to its Risk Reserve, which will increase the net income to the £6.04m target.

14. At the end of 2023/24, the AIS Risk Reserve had a balance of £11.31m. This is expected to reduce to £6.5m by the end of the year due to the reserve being utilised to support the net income position, and revenue costs associated with AIS capital schemes in 2024/25.

Issues / Risks

15. 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.
16. 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 3(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's	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
SCHOOLS								
Basic Need - School Places	10,197	-	149	560	4,037	5,600	Rolling	Programme of works currently being developed for known allocations. A report will be brought to the Executive in the new year.
Altrincham College	12,776	124	170	1,000	7,652	4,000	Mar-27	The Awarded contractor has been placed into administration. Schools Capital Projects Team and Procurement working with other contractors to get new delivery partner.
Broadoak School (PAN increase of 60)	6,800	-	40	200	4,600	2,000	Sep-26	Dean Trust have commented on the Funding Agreement and this now currently being finalised with Legal.
Devolved Formula Capital	2,075	-	227	804	649	622	Rolling	Resources managed by schools
Capital Maintenance Grant	11,863	-	1,182	3,760	5,441	2,662	Rolling	Majority of schemes completed as planned over the summer holidays. A small number planned for October or February half-terms holidays
High Needs Send Grant	5,670	-	137	369	3,301	2000	Rolling	Programme of works currently being developed for known allocations and will be subject to report to Executive in the near future.

Brentwood School - SEND	6,550	207	665	3,843	2,500	-	Sep-25	The main works on the scheme have now started with an expected completion in line with school requirements.
Childcare Grant	561	-	-	361	200	-	-	A number of providers have submitted Expressions of Interest and will soon be submitting full applications
Sub-total	56,492	331	2,570	10,897	28,380	16,884		

CHILDREN'S SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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
CHILDRENS SERVICES								
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	350	-	-	50	300	-	Mar-26	Works have been identified at two Registered Social Landlord properties and three connected carers.
Sub-total	514	127	-	87	300	-		
TOTAL CHILDRENS SERVICES	57,006	458	2,570	10,984	28,680	16,884		

ADULTS SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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	-	1,575	3,295	2,794	2,694	Rolling	Ongoing programme of home adaptations, there are pressures on this budget with a number of high value and complex cases.
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	Programme of works now agreed with urgent works to be undertaken this year with the remaining works programmed to be completed in 2025/26
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
TOTAL ADULT SERVICES	9,722	175	1,577	3,759	3,094	2,694		

PLACE – CORPORATE LANDLORD

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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	-	145	844	325	40	Rolling	Ongoing programme of work with main element of works being undertaken at Tatton House.
Sale Waterside/ Trafford Town Hall Improvements	193	57	20	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	-	-	The requirement for these resources are currently being 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	67	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	176	220	50	-	Nov-24	Works Underway
Clarendon House, Altrincham - Development works	120		-	120	-	-	-	Complete – Awaiting final costs
TOTAL	6,693	3,613	408	1,700	1,340	40		

PLACE – REGENERATION AND STRATEGIC PLANNING

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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	47	21	-	-	-	Additional works were programmed in to take advantage of contractors being onsite, budget will be identified from current Highways allocation to fund this overspend.
UK Shared Prosperity Fund Programme	654	5	30	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	4,174	5,680	500	-	Nov 24	The majority of 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.
TOTAL	26,986	19,621	4,251	6,450	839	76		

PLACE – BEREAVEMENT SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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	-	568	710	-	-	Aug-24	Works complete – minor snagging issues being resolved by contractor.
TOTAL	710	-	568	710	-	-		

PLACE – LEISURE AND SPORT

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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	4,635	9,055	-	-	Dec- 24	On target to be spent this year
Partington Sports Village - Levelling Up Fund	22,705	1,606	334	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	30	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	1,233	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		357	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		113	200	266	-	Sep-25	Works is currently taking place and Longford Park and Ashton Park, Sale.
TOTAL	78,053	17,054	7,208	15,784	19,215	26,000		

PLACE – HOUSING SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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		-	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	1,133	2,543	-	-	Mar-25	On target to be spent this year
TOTAL	5,871	3,272	1,133	2,579	20	-		

PLACE – INTERGRATED TRANSPORT

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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	1,349		156	1,349	-	-	Rolling	Ongoing programme of works
Mayors Cycling and Walking Challenge Fund	20,000	4,757	2,104	5,943	8,960	340	Rolling	There are a number of individual elements of work being funded through this funding stream, 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	28	246	200	-	Sep-25	Works have commenced on this scheme
TfGM funded CRSTS Projects	919	89	108	830	-	-	Mar-25	On target to be spent this year
Moving Traffic Offences - Boroughwide Cameras	465		27	-	465	-	-	Scheme elements still to be developed
TOTAL	23,838	5,315	2,425	8,558	9,625	340		

PLACE – PARKING SERVICES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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	19	65	-	-	Mar-25	On target to be spent this year
TOTAL	289	224	19	65	-	-		

PLACE – COMMUNITY SAFETY

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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	68	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
TOTAL	723	427	68	136	160	-		

PLACE – STRUCTURAL MAINTENANCE

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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	-	1,106	3,682	2,612	2,912	Rolling	Delivery of in excess of 51 projects planned throughout the year with 22 already completed so far.
Surface Dressing & Treatment Programme	1,000		424	500	500		Rolling	Work on this element of the programme is now nearing completion.
Additional Pot Hole Funding	515	437	3	78			Mar-25	On target to be spent this year

Network North Additional Maintenance	738		199	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		242	830	300		Rolling	Ongoing programme of works
Bridge Assessments and Strengthening	963	250	163	713			Rolling	Ongoing programme of works
Carrington Junction and Relief Road	15,071	4,361	503	7,710	3,000		Rolling	Options are being assessed around the delivery of the rationalisation element of the scheme.
TOTAL	33,124	9,241	2,640	14,251	6,720	2,912		

PLACE – ENVIRONMENTAL SERVICES AND GREENSPACES

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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	526	67	76	359	100	-	Rolling	Work is being undertaken across multiple sites delivering a programme of works on drainage, surface repairs, patching and potholes and lighting, there has been a delay with design works to enable certain elements of the schemes to start.
Play Area Refurbishment	536	139	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	2	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		14	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	323	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.
TOTAL	3,371	664	268	1,069	1,638	0		
TOTAL PLACE SERVICES	179,658	59,431	18,988	51,302	39,557	29,368		

GOVERNANCE AND COMMUNITY STRATEGY

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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
Customer Services								
Sale Library – A Cultural Hub	357	-	1	108	249	-	Jul-25	This scheme is currently going through the procurement process and once complete a programme of works will be finalised.
TOTAL GOVERNANCE AND COMMUNITY	357	-	1	108	249	-		

FINANCE AND SYSTEMS – ICT

SCHEMES	TOTAL APPROVED SCHEME BUDGET £000's	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
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	465	1,182	-	-	Oct-24	Work on this scheme is progressing well with October being the go live date.
Device Replacement Programme	1,150	-	204	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	24	21	62	-	-	Work is currently being undertaken to get cost certainty and update the profiling of resources.
Network Replacement	551	263	26	288	-	-	Mar-25	On target to be spent this year
ITrent Replacement	270	13	257	257	-	-	Mar-25	Work on this scheme has been completed
Info Management Services for Regulatory Serv	610	195	3	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	-	15	40	70	-	-	Requirements for this allocation are being reassessed an update will be provided at P6
Security Infrastructure - Perimeter Firewall	240	-	121	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 Solution	200	128	-	72	-	-	Mar-25	On target to be spent this year
Digital Inclusion / Digital Skills	50	32	18	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 (initial Phase)	50	-	-	50	-	-	-	Complete – Awaiting final costs
TOTAL FINANCE AND SYSTEMS	8,808	1,871	1,167	3,035	2,092	1,810		
TOTAL CAPITAL PROGRAMME	255,551	61,935	24,303	69,188	73,672	50,756		

Prudential Indicators – 2024/25

Annex 3(b)

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 6

Capital Expenditure Indicators

Since February, the updated indicators for Capital Expenditure show a decrease £24.17m 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 6 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 0.1% above the forecast included in the budget. This is due to reduced levels of interest income forecast in year.

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
Capital Expenditure					
Capital expenditure - General Programme	74.89	69.18	(5.70)	73.67	50.76
Capital expenditure - Investment Strategy	77.31	58.85	(18.46)	150.09	7.82
Capital expenditure - Total	152.20	128.04	(24.16)	223.76	58.59
Capital Financing Requirement (CFR)	519.41	461.55	(57.86)	567.01	592.88

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 6 2024/25	Approved Limit	Current Forecast	Variance to Limit	Approved Limit	Approved Limit
	£m	£m	£m	£m	£m
External Debt					
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
Authorised limit for external debt - Total	653.40	392.20	(261.20)	733.0	812.6
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
Operational boundary for external debt - Total	633.40	392.20	(241.20)	713.0	792.6
Forecast capital financing requirement (CFR)		461.55			
Actual external debt (£m): at 30/09/24		336.20			
Over-borrowed/(Under-borrowed)		(125.35)			
Forecast Over-borrowed/(Under-borrowed)		(69.35)			
Is Actual Debt below the CFR?		YES			

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 6 2024/25	2024/25			2025/26	2026/27
	Original Forecast	Current Forecast	Variance	Forecast	Forecast
	%	%	%	%	%
Affordability					
Financing Costs to net revenue stream	1.0%	1.1%	0.1%	1.8%	2.7%
Net Income for commercial and service investments to net revenue stream	8.0%	7.1%	(0.5%)	7.8%	7.2%

Affordability - Financing Costs to Net Revenue Stream (Detailed Table)	2024/25 P6 Forecast
Net Revenue Stream (£k)	214,039
Net Financing Costs * (£k)	2,247
Net Financing Costs to NRS	1.1%
Gross Financing Costs (£k)	16,935
Gross Investment Interest Income (£k)	(14,688)
Net Financing Costs (£k)	2,247
Using Gross Financing Costs to NRS	7.91%

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
Asset investment Strategy			
Gross Income	13.3	14.5	13.1
Financing Costs	9.48	10.6	10.2
Risk Reserve			
Net contributions to/(from) Risk Reserve	(6.5)	(1.6)	(1.3)
Forecast Risk reserve balance at year end	4.8	3.1	1.7

COUNCIL TAX

In year Council Tax movements	Council Tax Collection Fund P6 (£000)	Trafford's Share P6 (£000)
Tax Base	(197)	(160)
Local Council Tax Support Scheme	(558)	(453)
Other Movements (Backdated discounts etc.)	100	81
Total In Year Position (Surplus)/Deficit	(655)	(532)