

## TRAFFORD COUNCIL

**Report to: Executive**

**Date: 27<sup>th</sup> January 2025**

**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 8 (April 2024 to November 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 £2.32m, a favourable movement of £1.24m from Period 6.
- b) Note the update on the three-year Capital Programme as detailed in Section 6 and Annex 3.
- c) Note the management actions and mitigating actions as detailed in Paragraph 1.4 to 1.6 of Part 2 in the delivery of a balanced budget and effective financial management.

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

Name: David Muggeridge, Head of Financial Management

Extension: 4534

Background Papers: None

<b>CORPORATE PRIORITIES AND GOVERNANCE CONSIDERATIONS</b>	
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 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 8

**£2.32m Overspend**

Movement since Prior Period

**£1.24m Favourable**

## Section 1- Revenue Service Budget

### Revenue Service Budget 2024/25

Approved Revenue Service Budget

**£217.99m**

Projected Outturn at Period 8

**£2.32m Overspend**

Comprising of

Overspend on Directorate Budgets

**£3.10m**

Underspend on Council Wide

**£775k**

Movement since Prior Period

**£1.24m 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	57,667	1,834	258
Adults & Well Being	59,342	60,273	931	(413)
Public Health	13,690	13,462	(228)	(19)
Place	37,933	38,200	267	(289)
Strategy & Resources	10,783	10,745	(38)	43
Finance & Systems	10,474	10,240	(234)	(111)
Legal & Governance	4,047	4,611	564	228
<b>Total Directorate</b>	<b>192,102</b>	<b>195,198</b>	<b>3,096</b>	<b>(303)</b>
Council-wide budgets	25,888	25,113	(775)	(933)
<b>Total Budget</b>	<b>217,990</b>	<b>220,311</b>	<b>2,321</b>	<b>(1,236)</b>

<b>Directorate Budgets</b>	<b>Variance £000</b>	<b>Movement from Prior Period</b>
Children's placements	2,668	636
Children's placements mitigating action (review of reserves & grant spending reprofiled)	(303)	(303)
Children's Home to School Transport	(198)	(103)
Running costs – S17 payments (Childrens)	249	62
Children's Income	(262)	(11)
Adults' demand	712	178
Adults' demand mitigating action (release of 2023/24 accruals)	(400)	(400)
Adults' running costs	210	(4)
Staffing (Children's, Adults, Public Health)	(1,070)	(392)
Staffing (all other areas)	(1,442)	(167)
General efficiency target	1,009	0
Energy Costs	(176)	23
Planning Income	103	(46)
Building control income	222	1
Use of Homelessness Prevention Grant to partially offset Housing Benefit pressure in Council Wide	(250)	(250)
Legal Fees (caseload demand from Social Care)	473	202
Projected underachievement of savings	1,315	221
Other	236	50
<b>Directorate Budget Sub-Total</b>	<b>3,096</b>	<b>(303)</b>
<b>Council Wide</b>		
Treasury Management	(1,590)	(628)
Housing Benefit	1,523	(80)
Contribution from Housing Benefit Risk Reserve	(403)	0
Pension Strain (Early Ill Health)	500	500
Contribution from Employment Rationalisation Reserve	(500)	(500)
Release of general contingency	(500)	(200)
Council Wide Other	195	(25)
<b>Council Wide Sub-Total</b>	<b>(775)</b>	<b>(933)</b>
<b>Net Service Budgets</b>	<b>2,321</b>	<b>(1,236)</b>

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

## Section 2 – Revenue Funding Budget – General Fund

### Revenue Funding Budget 2024/25

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

Outturn at Period 8  
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 £160k deficit

#### Council Tax

Outturn £797k surplus

#### Underlying Outturn Themes

Overall reduction in rates income of £160k 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 £49k

Favourable lower level of Council Tax Support £808k

Adverse pressure from backdated claims £60k

#### Council Tax

- There is a favourable outturn forecast of £797k of which Trafford's share is £648k (see Annex 4 for a breakdown of Trafford's share).
- There is a favourable variance of £808k 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 £60k pressure in anticipated backdated claims (changes in banding appeals etc).

#### Outlook

- The Council introduced an additional premium for empty homes during the financial year and the Government recently released legislation

regarding amending the categories of properties which will be exempted from the charge from 2025. It is expected for this to reduce the income from long term empty premiums by 50% in 2025/26.

- In addition, following the removal of the winter fuel allowance, the number of claims for Pension Credit is expected to increase, this will subsequently attract Council Tax Support.
- Estimates of the impact of the above changes have been made when forecasting the council tax base for 2025/26, however there is an element of risk which will need to be managed during the year.
- In line with accounting policy, the in-year surplus of £648k will be released in 2025/26, however a figure of £600k will be transferred to the Council Tax Risk Reserve to smooth the possible increased impact of exemptions and pension credit as discussed above.

## **Business Rates**

There has been no change to the overall deficit of £160k since Period 6, however properties previously receiving reliefs have re-entered the rating system reducing grant received in the general fund and increasing gross rates in the collection fund. At Period 8 the deficit consists of a surplus in the collection fund of £3.19m and a deficit in the general fund of £3.35m. 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

**£5.23m (80%)**

Forecast Outturn Below Target by

**£1.32m**

Further details in **Annex 2**

There are 24 savings schemes with a savings target of £6.55m. At Period 8 £1.32m (20%) of savings are red rated and £2.70m (36%) 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.

Since Period 6 none of the amber rated savings have transitioned into green rated. This raises further concern over the ability to deliver the remaining amber rated savings in full before the end of the financial year.

At this stage a prudent assumption is that approximately £1.32m of the programme is unlikely to be delivered in 2024/25, an adverse movement of £221k; as part of the exception reporting, consideration continues to be focused on what mitigating actions can be implemented.

Period 8 forecasts indicate 7 schemes will fall short of this target by £1.32m (20%):

- Place - Strategic Estates - £211k (positive movement of £1k)
- Adults - Bad debt provision - £50k
- Adults - Reduction in demographic growth budget - £200k
- Adults - Living your best life - £290k
- Adults - Improving Lives Everyday - £140k (adverse movement of £140k)
- Adults - Reablement review - £200k
- Adults - Carer resilience - £224k (adverse movement of £82k)

## Section 6 – Capital Programme

### Capital Programme 2024/2027

Capital Programme 2024/27 at P6

Capital Programme 2024/27 at P8

**£193.62m**

**£199.49m**

Increase in 2024/27 programme

**£5.87m**

Schemes and change to the programme include

- City Region Sustainable Transport Settlement funding for Carrington Complimentary Active Travel Measures of £1.02m
- Public Realm works in Altrincham Town Centre funded from a contribution from United Utilities of £165k.
- The inclusion of the Longford Park scheme funded through the Heritage Lottery Funding (HFL) of £4.39m and various other sources.
- Sports England contribution towards works on the Leisure estate of £300k

### 2024/25 Performance to Date and Funding

	2024/25 P8 Revised Budget £m	2024/25 P8 Actuals £m	Performance Against Budget
Children's Services	10.99	4.88	40.46%
Adult Social Care	3.76	2.66	71.17%
Place	52.01	23.34	44.87%
Governance and Community	0.11	0.01	9.09%
Finance & Systems	3.03	1.43	46.96%
<b>General Programme Total</b>	<b>69.90</b>	<b>32.32</b>	<b>46.24%</b>
Grants	42.16		
External Contributions	5.24		
Revenue and Reserves	1.75		
Prudential Borrowing	11.82		
Forecast Capital Receipts	1.71		
<b>Available Funding</b>	<b>62.68</b>		
Shortfall In Current Year Funding	(7.22)		
Previous Years Deficit	(2.33)		
<b>Cumulative Funding Deficit</b>	<b>(9.55)</b>		

#### Specific Scheme Update

- The Longford Park scheme has now been formally included in the programme. This is supported by funding from the National Lottery Heritage and a number of other different sources some of which have not been formally secured. There is an element of funding for which sources have not yet been identified and as such the scheme carries a risk. If all funding is not realised there will be an impact on the availability of resources to support the Capital Programme.
- A contractor for Altrincham College has now been procured to replace the previous one that had gone into administration. Work is being undertaken to look at how the scheme can be delivered within original time scales and budget.

### **General Programme Update**

There is an in-year forecast funding shortfall of £7.22m as a result of capital receipts not being realised within original timescales or at the level previously assumed. This 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.£380k per annum until receipts are realised. This cost in 2024/25 has been absorbed within the Treasury Management budget.

## **Prudential Indicators**

Currently the Council is operating within the approved boundaries agreed by Council in February 2024, 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 £306k  
High Needs Block - Forecast Overspend £10.78m

Total Outturn  
£10.48m 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 £20.20m  
Of which High Needs overdrawn £21.95m

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 £10.48m. An overspend of £10.78m in the High Needs Block has been offset by an underspend of £306k on the remaining blocks.

The overspend in 2024/25 will result in a year end accumulated DSG deficit of £20.20m, consisting of a High Needs deficit of £21.95m, 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.

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

## Revenue Outturn Summary

1. There is a net projected outturn overspend of £2.32m for the year, a favourable variance of £1.24m from Period 6.

1.1. Although there is a favourable variance of £1.24m from Period 6, there are a number of significant underlying adverse pressures, the key movements include:

- **Children’s placements £2.67m adverse - £636k adverse movement.** Mitigating action has been identified following a review of reserves and grant spending reprofiled meaning the net adverse movement is £333k.
- **Adults demand £712k adverse - £178k adverse movement.** Mitigating action has been identified whereby £400k 2023/24 accruals have been released, resulting in a net £222k favourable movement.
- **Under-achievement of savings £1.32m adverse - £221k of adverse movement** from adult’s savings.
- **Housing Benefit - £1.52m adverse – favourable movement of £80k –** adverse pressure is due to increase in B&B and Temporary Accommodation costs. Pressure has been mitigated in year by £403k use of reserves and £250k use of Homeless Prevention Grant.
- **Legal cases - £473k adverse - £252k adverse movement** due to increase in caseloads from Social Care.

### Recurrent pressures have been offset by

- **Treasury Management - £1.6m favourable - £628k favourable movement** as a result of a continuing high interest environment and surplus cash has been invested from recouping investment loans early.
- **Staffing - £2.5m favourable - £559k favourable movement** as a result of the vacancy management controls and difficulties in recruitment.

1.2. This monitor can be used with more certainty of the potential final outturn and to give a 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. It is therefore important that any patterns of recurrent pressure are carefully considered alongside the final plans for 2025/26.

1.3. The draft budget for 2025/26 included additional growth of £3.0m to reflect some of the recurrent pressures identified during the Period 4 monitor. It is appropriate for additional resource to be considered in our plans for the final 2025/26 budget in the following areas :-

- **Children’s Placements** – an additional £1.0m added to accommodate further pressures associated in this area.

- **Adults Placements** – an additional £700k added to accommodate demand pressures in adults' placements.
- **Service Pressures** – an additional £500k added for other risks including a further increase in legal costs, staffing arrangement associated with Deprivation of Liberties and assumptions in reductions in energy prices.

The final budget will be considered by the Executive in February 2025 and will reflect any further changes to assumptions.

- 1.4. Following the period 6 report the council's Corporate Leadership Team identified a number of mitigating actions which have been reviewed at the Finance and Change Board. These actions have contributed to reducing the projected outturn by £953k which includes the use of reserves and reprofiling of grant spending in children's services of £303k, capitalisation of specific interest costs associated with capital projects of £400k and reprofiling of Homelessness Prevention Grant £250k.
- 1.5. It is important that the remaining in-year position continues to be managed downwards and it is imperative that further mitigating action is identified to avoid what would be an unplanned use of reserves of £2.32m. 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.
- 1.6. 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.
- 1.1. In addition to the above, the Council's Corporate Leadership Team will continue to identify further mitigating actions that will be reviewed at the Finance and Change Board. 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 £2.32m.
- b) Note the update on the three-year Capital Programme as detailed in Section 6 and Annex 3.
- c) Note the management actions and mitigating actions as detailed in Paragraph 1.4 to 1.6 of Part 2 in the delivery of a balanced budget and effective financial management.

**Other Options**

No Applicable.

**Consultation**

Not Applicable

**Reasons for Recommendation**

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

**Key Decision:** No

**Finance Officer Clearance** .....GB/DM.....

**Legal Officer Clearance** .....EM.....

**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 £2.32m, any changes to budget assumptions and associated key risks are highlighted below:

Directorate	Forecast variance £000	Explanation/Risks
Children's Services	1,834	<p><b>Projected outturn variance £1.834m adverse, adverse movement of £0.258m from period 6.</b></p> <p>Below is the projected position on children's placements and other budget areas:</p> <ul style="list-style-type: none"> <li>• £1.994m over budget on children's placements (note 1)</li> <li>• £300k under budget on staffing (note 2)</li> <li>• £198k under budget on home to school transport (note 3)</li> <li>• £337k over budget on other running costs and income across the service (note 4)</li> </ul> <p><b>Note 1</b> Children's placements are expected to overspend by £1.994m. This is an adverse movement of £0.373m. The reasons for this variance are as follows:</p> <p>Pressures from:</p> <ul style="list-style-type: none"> <li>• £275k new placements</li> <li>• £70k new step-up</li> <li>• £87k step-down delayed</li> <li>• £355k move from another placement type</li> <li>• £227k increase in prices</li> </ul> <p>Offset by:</p> <ul style="list-style-type: none"> <li>• £(268)k step downs, moves taking place, children leaving care</li> <li>• £(70)k use of contingency – this leaves a contingency for new placements of £141k</li> <li>• £(303)k mitigating actions following a review of reserves and grant spending reprofiled</li> </ul> <p>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 £500k saving from the savings programme has been met.</p> <p>The numbers of children as at the end of November compared to those at the end of September are as follows:</p>

- children in care 353, a decrease of 1
- child protection 185, a decrease of 13
- children in need 600, a decrease of 2

**Note 2**

The underspend on staffing is £300k, this is an adverse movement of £12k from Period 6. The underspend is due to the delay in recruitment to the Family Help (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 £198k. This is a favourable variance of £103k from P6 due to the use of new software which has worked to make runs more efficient at 2 of our in borough special schools and a reduction in the previous forecast of the cost of casual staff covering absences.

**Note 4**

The overspend in running costs and income across the service is £337k, a favourable variance of £25k from P6 as outlined below:

- £21k underspend on Partington & Sanyu nurseries, a favourable variance of £36k from P6 as a result of the new funding that was introduced in 2024/25 for disadvantaged children and new working parent entitlement for 2 year olds;
- £620k overspend in running costs, an adverse movement of £22k due to:
  - S17 costs £249k overspend, an adverse movement of £62k since P6 due to additional spend identified within the Complex Needs team for ongoing support, Parent/Child residential in pre-proceeding costs and an increase in transport costs in the Cared4 Teams. 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 £371k overspend, a favourable movement of £40k since P6 – this is due to placements required for 2 young people on remand being placed in the community and an increase in legal/expert costs. The favourable movement is due to underspends on training and marketing budgets within the Fostering Service.

		<ul style="list-style-type: none"><li>• £262k favourable variance on income, a favourable movement of £11k.</li></ul>
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<p>Adult's &amp; Well Being</p>	<p>931</p>	<p><b>Projected outturn variance £931k adverse a favourable movement of £413k from period 6.</b></p> <p>Below is the projected position on adult clients and other budget areas.</p> <ul style="list-style-type: none"> <li>• £1.366m adverse variance on Adults Clients no movement from period 6 (note 1).</li> <li>• £435k favourable variance on staffing and running costs a favourable movement of £413k from period 6 (note 2).</li> </ul> <p><b><u>Note 1</u></b> 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>Although the P8 position shows no movement from P6 it is imperative that underlying pressures are understood. The budget is coming under increasing pressure from several sources that are certain to have an impact on the 25/26 and future years budgets. The significant pressure items are as follows: -</p> <ul style="list-style-type: none"> <li>• 4 Young Adults transitioning into Adult Social Care with high placement costs</li> <li>• Reduction in the number of clients in receipt of Continuing Health Care funding.</li> <li>• Increase In young adults presenting with complex Mental Health needs.</li> <li>• Continuous difficulty in sourcing bed-based care in borough at affordable prices.</li> </ul> <p>Without mitigation the P8 position outlines an adverse variance of £1.766m consisting of £712k pressures in packages of care and £1.054m of unachieved adult's clients related savings, an adverse movement of £400k from P6. After applying the mitigation of £400k explained below the position remains unchanged as a £1.366m adverse variance.</p> <p>Packages of Care – The projected outturn position is a £712k adverse variance an adverse movement of £178k from period 6, within this projection is a contingency of £212k to mitigate rising costs because of increasing complexity of existing clients and demand from new clients.</p>
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As part of mitigating action, a review of prior year accruals related to packages of care has taken place and a figure of £400k has been released.

Savings – The savings target for 24/25 is £1.714m and it is anticipated that only £660k, an adverse movement of £222k from Period 6, of this target will be achieved in this financial year resulting in an in-year budget pressure of £1.054m. 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 and due to lower than anticipated benefits arising from workstreams.

The impact of the projected underachievement of savings on the 25/26 budget is currently being assessed and any recurring budget pressures will need to be included in the MTFP in preparation for final budget proposals in February.

### **Note 2**

The projected outturn position for staffing and running costs is a £435k favourable variance. The breakdown of the variance is as follows:

- £290k adverse variance in the DOLS service due to increasing demand for external Best Interest Assessments.
- £695k favourable variance due to vacancy savings attributable to recruitment and retention difficulties and due to several teams across the service holding vacancies until the new financial year.
- £80k favourable variance on running costs.
- £50k adverse variance due to projected underachievement of other savings relating to the Adult Social Care bad debt provision.

Included within the above position is £294k one off funding from Homes for Ukraine.

### **Risks/Issues**

#### **Continuing Healthcare**

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.

This issue is affecting Local Authorities nationwide and regional responses are being collated to Integrated Care Boards.

#### **Learning Disability Pooled Fund**

		<p>NHS Greater Manchester integrated Care Board are reviewing their current expenditure budgets including the LD pooled fund any reduction in this would represent a budget pressure for the Council.</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	(228)	Public Health is forecasting a £228k favourable variance as at period 8 a favourable movement of £19k from period 6. This is due to projected expenditure on staffing below budget of £75k and £153k favourable variance on running costs including several activity-based budgets.
Place	267	<p><b>Total forecast outturn variance £267k adverse, a favourable movement of £289k.</b></p> <ul style="list-style-type: none"> <li>• There are projected shortfalls in income of £277k in Parking Services (due to the now open Regent Road car park being later than expected) (increased by £34k), and £222k Building Control (increased by £1k). Public Protection income is also £43k below budget (unchanged).</li> <li>• The Planning service is a ringfenced account and has a shortfall in income of £103k, which is offset by an underspend of £63k in staffing, running costs and reserve contributions. This is a forecast net overspend of £40k for the year (reduced by £28k).</li> <li>• Property costs are £169k above budget which includes for ongoing security at Trafford Town Hall and Sale Waterside (reduced by £10k). 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 £17k underspent (unchanged).</li> <li>• Estates savings have been rephased across the next two years with an anticipated shortfall of £211k this year (reduced by £1k). Work is ongoing to mitigate this pressure, such as from a number of ongoing business rate appeals.</li> <li>• Review of the use of Housing service grants and associated interventions work has enabled £250k to be utilised against the budgeted pressure from temporary accommodation costs reported in the Council-wide budgets.</li> <li>• Property energy costs are forecast to be £76k below budget (reduced by £23k) and there is forecast underspend of £100k in street lighting energy (unchanged). 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.</li> <li>• There is additional projected income above budget for Altair £120k, airport rent £98k, other let estate £37k (increased by 7k) and outdoor media advertising £67k (increased by £14k).</li> <li>• Staff vacancies for the year are currently estimated at £486k (excluding the ringfenced Planning account) (increased by</li> </ul>



		<p>£37k) which is approximately 4.8% of the staffing budget. This is offset by the Directorate-wide efficiency saving of £346k.</p> <ul style="list-style-type: none"> <li>• Other minor favourable variances £34k</li> </ul> <p><b>Strategic Investment Programme – nil variance (unchanged).</b></p> <p>The investments made through the Council’s Asset Investment Strategy are forecast to generate a net benefit to the revenue budget in 2024/25 of <b>£4.72m</b>, which is a shortfall of <b>£1.32m</b> 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.</p>
Strategy & Resources	(38)	<p><b>Total forecast outturn variance £(38)k favourable, an adverse movement of £43k.</b></p> <ul style="list-style-type: none"> <li>• Staff costs are estimated to be £482k less than budget across the Directorate based on actual and forecast vacancies across the whole year (increased by £21k), which is 4.8% of the total staffing budget.</li> <li>• Running costs are forecast to be £53k overspent (reduced by £2k).</li> <li>• Income is projected to be £23k above budget (reduced by £66k). This mainly relates to trading services and includes net £87k Bereavement Services (increased by £18k), and £38k from the Music Service (increased by £4k), offset by a shortfall of £86k in Catering and Cleaning (£60k adverse movement) and £38k Waterside Arts Centre (increased by £21k). Other income is £22k above budget including from libraries and Flixton House (£7k adverse movement).</li> </ul> <p>These are offset by the budgeted Directorate-wide efficiency saving target of £414k.</p>
Finance & Systems	(234)	<p><b>Total forecast outturn variance £(234)k favourable, a favourable movement of £(111)k.</b></p> <ul style="list-style-type: none"> <li>• Staff costs are estimated to be £546k less than budget across the Directorate based on actual and forecast vacancies for the whole year (increased by £75k), which is 5.3% of the total staffing budget.</li> <li>• Running costs are forecast to be overspent by £36k which includes additional ICT software costs in Exchequer</li> </ul>

		<p>Services (adverse movement of £37k following a review of these contracts).</p> <ul style="list-style-type: none"> <li>Income is projected to be £27k below budget. This is an adverse movement of £9k and includes reduced estimated levels of grants in Exchequer Services.</li> </ul> <p>These are offset by the budgeted Directorate-wide efficiency saving target of £249k.</p>
Legal and Governance	564	<p><b>Total forecast outturn variance £564k adverse, adverse movement of £336k.</b></p> <ul style="list-style-type: none"> <li>Staff costs are estimated to be £72k above budget (adverse movement of £48k) and includes for agency costs covering vacancies and service demand.</li> <li>Running costs are projected to be overspent by £473k, which has increased by £202k. This relates to additional legal fees, particularly relating to caseload demand from social care.</li> <li>There is a projected shortfall in income of £19k compared to budget (reduced by £22k). This includes £62k in land charges (reduced by £19k) and £22k in capital fee income which is related to staff vacancies. This is offset by SLA and other income of £13k above budget assumptions (reduced by £7k) and £52k from Registration Services (£10k increase).</li> </ul>
Council-wide	(775)	<p><b>Projected Outturn variance, £775k favourable, a favourable movement of £933k since Period 6.</b></p> <p><b>Treasury Management, £1.59m favourable</b></p> <p>Due to the continuing high interest rate environment, the Council has managed to invest its surplus cash balances to generate additional investment income. In addition through the management of its surplus cash we have also delayed the need to borrow which has saved on borrowing costs. Part of this saving is due to a higher cash position as a result of loans provided through the Council's Asset Investment Strategy being repaid early. To recognise these shortfalls in income in the AIP programme and ongoing risk associated with early repayment, £500k will be set aside in the Asset Investment Strategy Risk Reserve.</p> <p>A further £400k of interest payments have been capitalised in 2024/25 related to the capital programme.</p> <p>A contribution is being made to the interest rate smoothing reserve of £400k in year to offset the short-term financing pressure that will be present in the 2025/26 Capital Programme due to the delayed timing of funding sources.</p>

The net outturn projection is £1.59m under budget, which is a £628k favourable movement from that reported at Period 6.

**Housing Benefit, £1.12m adverse**

The pressure within the Housing Benefit Subsidy budget is significantly higher than budgeted. This is largely as a result of the continuing and increasing costs of B&B accommodation and Temporary Accommodation. Rents paid are significantly higher than the housing subsidy received by the authority which is based on the Government's Local Housing Allowance (LHA) rate fixed at the 2011 rate. The principle behind the model is to encourage authorities to limit the use of B&B/Temporary Accommodation and place claimants in permanent housing as soon as practical. However, due to an increase in volumes and rent levels, and a shortage of suitable accommodation, the length of stay of such claims has increased compared to previous years.

A temporary accommodation strategy had been developed which 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.

In terms of the overall projected outturn the net cost (payments made, less subsidy and overpayment recovery) is estimated to be £1.52m. After using the remaining Housing Benefit Risk Reserve of £403k this overspend reduces to £1.12m. a £80k favourable movement from Period 6.

**Coroner's Budget, £145k adverse**

The projected cost of Trafford's share of the South Manchester Coroners' service is currently expected to be £145k higher than budget, no change since period 6. 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.

**Pension Strain – Early Ill-health Retirement**

The Council has a provision with Greater Manchester Pension Fund for when pensions are accessed early e.g., in cases of ill health. Since Period 6 there has been an increase in the number of cases which has resulted in a £607k pressure, where one case alone has cost c£500k. To offset a significant proportion of this pressure £500k will be drawn down from the Employment Rationalisation Reserve. The remaining £107k will be funded from contingency.

**Contingency, £500k released**

The Council holds a contingency of £1.2m an increase of £60k since Period 6 following a minor adjusted related to resource set aside for the 2024/25 pay award. There are a number of

		<p>commitments totaling £643k and £500k has been released to support the in-year pressure (a further £200k from Period 6). A balance of £67k remains unallocated.</p> <p><b>Other, £50k adverse</b></p> <p>Other minor net variances of £50k, a favourable movement of £25k since period 6.</p>
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Dedicated Schools Budget	10,475	<b>Projected Outturn variance - £10.48m adverse.</b>			
		<b>P8 monitoring</b>	<b>Grant £000</b>	<b>Forecast outturn £000</b>	<b>P8 Variance £000</b>
		<b>Schools Block</b>	215,423	215,189	(234)
		<b>Central Schools Services Block</b>	1,522	1,449	(72)
		<b>High Needs Block</b>	42,570	53,351	10,782
		<b>Early Years Block</b>	29,713	29,713	0
		<b>TOTAL DSG</b>	<b>289,228</b>	<b>299,703</b>	<b>10,475</b>
<p>The DSG allocation has been reduced by £161k since P6 due to:</p> <ul style="list-style-type: none"> <li>• A reduction to the 2 year old entitlement for working parents Early Years allocation; and</li> <li>• A reduction to the High Needs Block due to an import/export adjustment (this is an adjustment in funding to reflect the movement of high needs pupils and students between local authority areas, where they live in one authority area and attend school or college in another).</li> </ul> <p>The DSG is expected to overspend by £10.475m, this is an adverse movement of £106k from P6.</p> <p>The Schools Block is expected to underspend by £234k, no variance from P6.</p> <p>The Central School Services Block (CSSB) is expected to underspend by £72k, this is a favourable movement of £3k from P6.</p> <p>The High Needs Block is expected to overspend on the budget set by £419k however, the budget set was £10.363m more than the grant allocation received, therefore the in-year overspend is £10.782m, an adverse movement of £108k.</p> <p>The variances to budget are as follows:</p> <ul style="list-style-type: none"> <li>• Education Health Care Plans (EHCPs) £472k overspend an adverse variance of £13k.</li> </ul>					

- Small Specialist Classes £220k underspend. This is an adverse movement from P6 of £12k due to additional places being funded at Wellington High School.
- Behaviour and Attendance & other central SEN budgets £141k under spend, favourable variance of £5k.
- Special Schools - £161k overspend, adverse variance of £88k from P6. This is due to additional places being funded at Brentwood (6 costing £35k) and The Orchards (5 costing £29k) from September and the corresponding additional top-up costs, offset by a reduction of 3 places at Longford Park PRU.
- 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 brough forward negative high needs block reserve of £11.164m, leaving an overall deficit of £21.987m at year end.

<b>DSG Reserve</b>	<b>1 April 2024 £000</b>	<b>P8 Forecast outturn £000</b>	<b>31 March 2025 Projection £000</b>
<b>Schools Block (SB)</b>	(1,045)	(234)	(1,279)
<b>Central Schools Services Block (CSSB)</b>	(400)	(72)	(472)
<b>High Needs Block (HNB)</b>	11,164	10,782	21,946
<b>Early Years Block (EYB)</b>	1	0	1
<b>TOTAL DSG Reserve (surplus)/deficit</b>	<b>9,720</b>	<b>10,475</b>	<b>20,195</b>

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

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

		<p>capacity in borough is not sufficient, which will impact on our ability to reduce the deficit.</p> <p>The mitigations that have been identified as part of our Deficit Management Plan to address these risks are as follows:</p> <ul style="list-style-type: none"><li>• Develop support in schools through the Local Authority SEND Inclusion Service which is made up of Educational Psychology Service (EPS), SEN Advisory Service (SENAS) and Sensory Impairment Support Service (TSISS);</li><li>• prioritise inclusive practice in Trafford to reduce the demand for EHCPs and build parental confidence through the development of high quality training, self-evaluation materials and an evidence-based design process;</li><li>• review the effectiveness of existing LA commissioned contracts, develop a SEND Commissioning strategy that is overseen through a joint commissioning steering group, ensure strong connectivity with the integrated care board;</li><li>• roll out the Graduated Approach to SEND across EY settings and schools aimed at the early identification of children’s needs and delivery of appropriate support to manage demand for EHCPs;</li><li>• ensure the staffing structure for SEND casework is appropriate;</li><li>• ensure robust sufficiency &amp; placement planning through the use of the High Needs Capital Provision allocation to provide places in both primary and secondary settings in the future.</li></ul> <p>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 webinar entitled The Crisis in SEND; The Path to Reform and Investment, you can watch the webinar here:</p> <p><a href="https://youtu.be/LC9mQ87lpCs">https://youtu.be/LC9mQ87lpCs</a></p>
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Savings Programme

ANNEX 2

Theme/Title	Service Area	Budget 2024/25 £000's	Outturn Projection 2024/25 £000's	Gross Variance 2024/25 P8 £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
<b>Sub-Total Children's</b>		<b>(751)</b>	<b>(751)</b>	<b>0</b>	<b>0</b>	<b>0</b>				
Weight Management	Adults	(28)	(28)	0		0	Reduce the prevalence of community obesity and thereby reduce long-term health conditions that result and the support required.	AMBER	AMBER	There are no concerns on the achievement of this saving, it will be achieved across the financial year.
Bad debt provision - Adults Social Care	Adults	(50)	0	50		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 dependence on the Community Learning Disability team to carry out assessments of client needs in order to facilitate step downs. It is very likely the remaining saving will not be met owing to a delay in the transfer of support to commissioned provision for one scheme and challenges in finding alternative solutions for two further schemes.

Improving Lives Everyday	Adults	(250)	(110)	140		140	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)	(112)	224		224	The project proposes the developing of an intensive evidence-based model of support for carers of people with dementia, in order to improve the experience of being carer for someone with dementia and delay residential care	AMBER	AMBER	This project requires management action throughout the financial year.
<b>Sub-Total Adults</b>		<b>(1,764)</b>	<b>(660)</b>	<b>1,104</b>	<b>0</b>	<b>1,104</b>				

Strategic Investment Income	Place	(370)	(370)	0		0	Investment Programme - Recycling of receipts to maintain net income at achievable levels	AMBER	AMBER	Savings were delivered in 2023/24. Programme remains at risk in 24/25 given the wider economic uncertainty.
Review of operational and strategic estates	Place	(390)	(179)	211		211	Efficiency review of operational estate and lease/rent reviews to ensure full cost recovery across the Council's estate	AMBER	AMBER	Some savings have been re-profiled to 2025/26. There is potential to reduce the shortfall in 24/25 from other measures such as business rate appeals.
Sale Water Park	Place	(10)	(10)	0		0	Review service provision and cost recovery	GREEN	GREEN	
Investment Income	Place	(450)	(450)	0		0	Dividend income from LLP with Bruntwood (Lumina)	GREEN	AMBER	Will be achieved in 24/25. 25/26 will depend on the ongoing commercial performance.
Waste Reserves	Place	(500)	(500)	0		0	Review of Waste reserves	GREEN	GREEN	
Amey 7 year review	Place	(100)	(100)	0		0	Income generated through contract	GREEN	GREEN	

							changes following the Amey 7 year review			
<b>Sub-Total Place</b>		<b>(1,820)</b>	<b>(1,609)</b>	<b>211</b>	<b>0</b>	<b>211</b>				
Traded Services - Star	Finance & Systems	(50)	(50)	0		0	Traded Services income - increase in contributions to offset pay and cost inflation.	GREEN	GREEN	
<b>Sub-Total Finance &amp; Systems</b>		<b>(50)</b>	<b>(50)</b>	<b>0</b>	<b>0</b>	<b>0</b>				
Traded Services - Catering & Cleaning	Strategy & Resources	(498)	(498)	0		0	Review Traded Services income - increase in charges to offset pay and cost inflation.	AMBER	AMBER	Currently on target although net income can fluctuate during the year due to external factors such as inflation and trading performance
Review of Sale Waterside Arts Centre	Strategy & Resources	(75)	(75)	0		0	Improve effective use of asset and business development	AMBER	AMBER	Currently on target although net income can fluctuate during the year due to external factors such as inflation and trading performance
Review Music Service	Strategy & Resources	(187)	(187)	0		0	Continue to remove the remaining Corporate overhead	AMBER	AMBER	Currently on target although net income can fluctuate during the year due to external factors such

							subsidy and continue with expansion of offer with a view to broadening reach			as inflation and trading performance
<b>Sub-Total Strategy &amp; Resources</b>		<b>(760)</b>	<b>(760)</b>	<b>0</b>	<b>0</b>	<b>0</b>				
Smart Working	All	(400)	(400)				To be achieved by a combination of measures associated with smart working	AMBER	AMBER	The majority of the saving will be from the management vacancy pause. It is assumed the saving will be made in full
Release of Treasury Smoothing Reserve	All	(500)	(500)				Release of Treasury Smoothing Reserve	GREEN	GREEN	Saving met from the release of smoothing reserve
Reduction in central contingency	All	(500)	(500)				Reduction in central contingency	GREEN	GREEN	Sufficient capacity within the central contingency to meet this saving in full
<b>Sub-Total Council Wide</b>		<b>(1,400)</b>	<b>(1,400)</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>TOTAL SAVINGS AND INCOME PROPOSALS</b>		<b>(6,545)</b>	<b>(5,230)</b>	<b>1,315</b>	<b>0</b>	<b>1,315</b>				

## Approved Budget

1. The overall value of the indicative capital programme for 2024/25 to 2026/27 capital programme was restated in the P6 monitor to £193.62m the position has changed further to £199.49m, an increase of £5.87m, which relates to additional funding within the programme.
  - CRSTS funding for Carrington Complimentary Active Travel Measures of £1.02m
  - Public Realm works in Altrincham Town Centre funded from a contribution from United Utilities of £165k.
  - The inclusion of the Longford Park scheme funded through the Heritage Lottery Funding (HFL) of £4.39m and various other sources.
  - Sports England contrition towards works on the Leisure estate of £300k

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

	<b>Budget £m's</b>
<b>Approved Three Year Capital Programme (February 2024)</b>	<b>154.56</b>
Reprofiled Budget (Reported in 2023/24 Outturn)	30.50
Increase in funding	7.75
<b>Revised P2 Budget</b>	<b>192.81</b>
Increase in funding	0.43
<b>Revised P4 Budget</b>	<b>193.24</b>
Increase in funding	0.38
<b>Revised P6 Budget</b>	<b>193.62</b>
Increase in funding	5.87
<b>Revised P8 Budget</b>	<b>199.49</b>

2. Since period 6, the 2024/25 budget has increased by £715k to £69.9m due to a number of additional contributions as detailed below.

	<b>Budget £m's</b>
<b>Revised 2024/25 Budget (P6)</b>	<b>69.19</b>
<i>New Funding:</i>	
Carrington Complimentary Active Travel Measures - CRSTS	0.25
United Utilities contribution to Public Realm works	0.16
Sport England Contribution towards works on Leisure Estate	0.30
<b>Revised 2024/25 Budget (P8)</b>	<b>69.90</b>

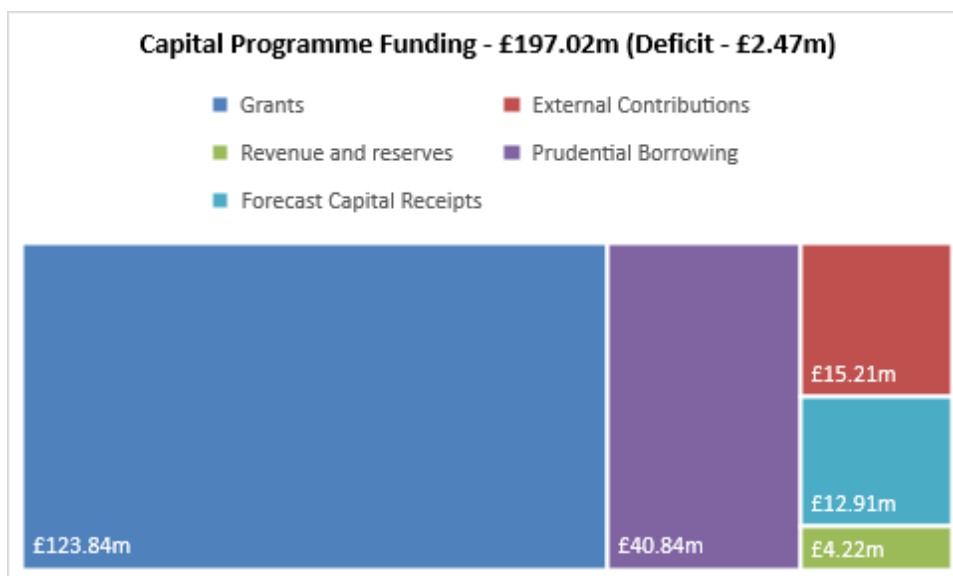
3. The revised current year programme by Directorates is detailed in the following table:

	<b>2024/25 Revised Budget</b>
<b>Directorate Analysis:</b>	£m
Children's Services	10.99
Adult Social Care	3.76
Place	52.01
Governance and Community	0.11
Finance & Systems	3.03
<b>General Programme Total</b>	<b>69.90</b>

### **Approved Programme Funding**

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





- There is currently a forecast in-year funding shortfall of £7.22m. This position in year is as a result of receipts not being realised within original timescales or at the level previously assumed. 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.£380k per annum until receipts are realised. This cost in 2024/25 will be absorbed within the Treasury Management budget. In 2025/26 and 2026/27, the ongoing revenue pressure will be met from the Interest Rate Smoothing Reserve.

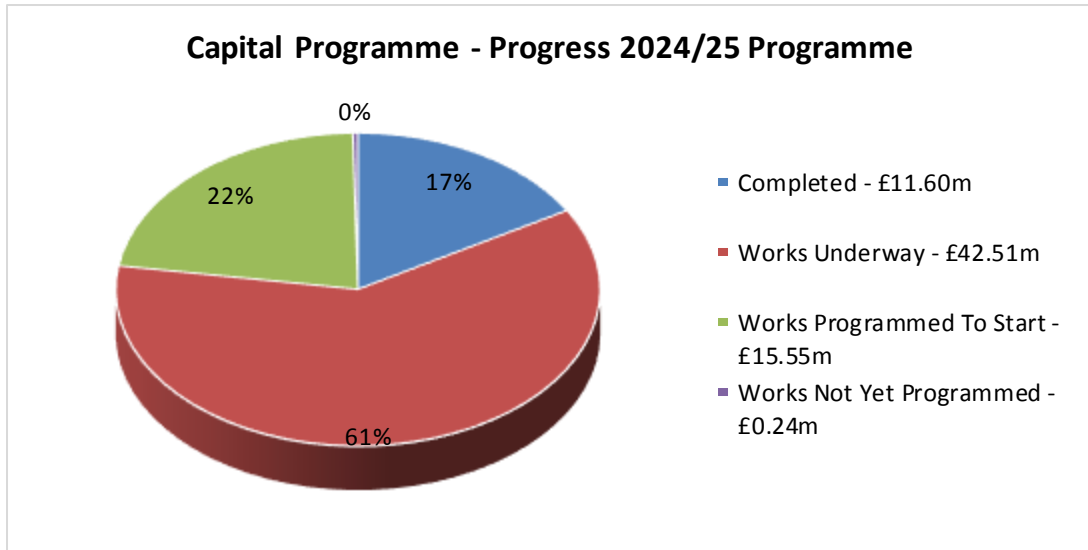
This shortfall will also have an impact on the level of available resources in future years with ongoing revenue costs until receipts are realised. This may also impact on the ability to deliver schemes in future until receipts are realised.

At the Capital Programme board, work is being undertaken to see if any schemes can be easily delayed, as well as monitoring progress on all other schemes within the Capital Programme.

## Scheme Performance

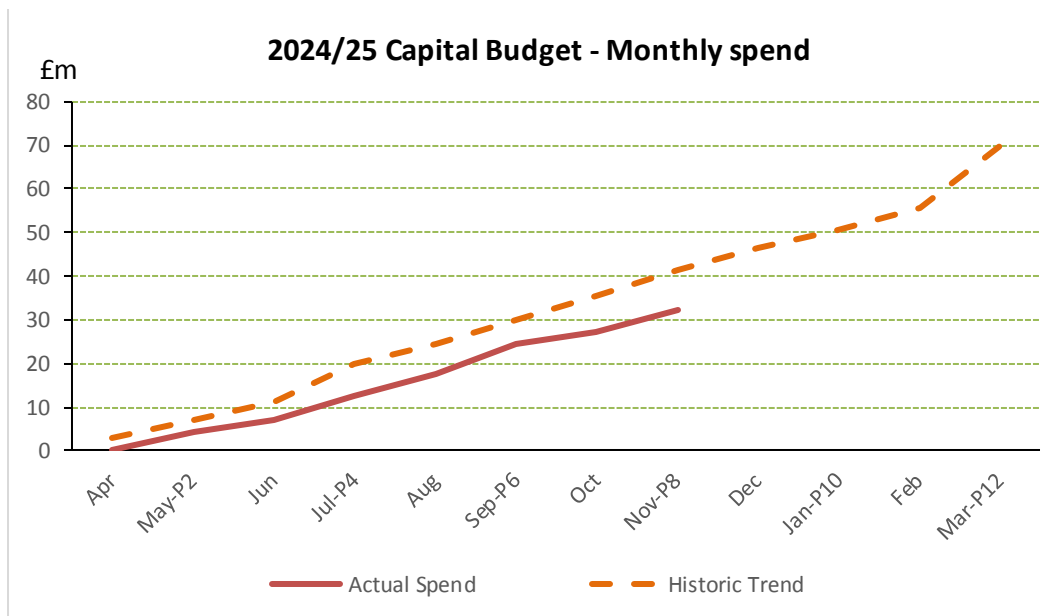
- Capital schemes by their very nature are delivered over extended periods of time (often over multiple financial years), with stages that can include design and planning, procurement and appointment of contractors, delivery stage, and completion.

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.



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

- To date this financial year there has been spend of £32.32m which is an increase of £8.02m from the previously reported position of £24.30m at P6. 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 3a with profiling of remaining budgets, spend to date and progress status.

## Specific Scheme Comments

8. The scheme at Longford Park being funded through the Heritage Lottery Funding (HFL) and various other sources has now been formally included within the programme. The funding of the scheme still carries a significant element of risk with some sources of funding not being formally confirmed yet. There is also currently a shortfall within the funding which will need to be identified. If funding is not identified it will need to be funded from the existing capital programme which may reduce the availability to deliver other approved schemes. Design work on the scheme is expected to start in the early in 2025 where opportunities will be sought to value engineer the scheme but also ensure it delivers in line with the HLF Grant conditions.
9. A new contractor has now been appointed to deliver the scheme at Altrincham College to replace the previous one that went into administration. This has led to a delay in the start on site but work is currently being undertaken to see how the scheme can be delivered within cost and timescales.

## Asset Investment Fund

10. Asset Investment Fund currently stands at a maximum approved limit of £500m, supported by prudential borrowing, to support the Council's Investment Strategy. The transactions that have been agreed by the Investment Management Board (IMB) to date have a total current committed cost of £406.9m, of which £292.6m has currently been expended. The balance of the approved £500m which is available for further investment is £93.1m.

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	0.4	34.7	47.5
Equity	45.7	0.0	1.9	7.4	55.0
Development Debt	154.7	(27.1)	38.2	71.9	237.8
<b>Total Capital Investment</b>	<b>275.2</b>	<b>(27.1)</b>	<b>40.4</b>	<b>114.1</b>	<b>402.9</b>
Treasury Investments	17.6	(13.6)	0.0	0.0	4.0
<b>Total Investment</b>	<b>292.9</b>	<b>(40.7)</b>	<b>40.4</b>	<b>114.1</b>	<b>406.9</b>

11. The forecast net income level is £4.72m, which is a shortfall of £1.32m 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.

12. At the end of 2023/24, the AIS Risk Reserve had a balance of £11.31m. This is expected to reduce to £5.5m 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**

13. 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.

14. 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. This may impact on the ability to deliver schemes in future until receipts are realised. Any short term borrowing used to meet the funding gap will incur a revenue cost.

## Appendix 3a

This Appendix details individual programs of work and provides details about the progress of schemes. The “Total Approved Scheme Budget” is that approved for the delivery for the whole scheme not just the element within the current 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
<b>SCHOOLS</b>								
Basic Need - School Places	10,197	-	377	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	279	1,000	7,652	4,000	Mar-27	The new contractor has now replaced previous contractor with work underway to manage delivery, work on site is expected to start in early in the new year.
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	-	386	804	649	622	Rolling	Resources managed by schools
Capital Maintenance Grant	11,863	-	1,626	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	2,010	3,843	2,500	-	Sep-25	The main works on the scheme have now started, with the installation of steelworks now commenced, forecast completion date is in line with original estimates to meet school requirements.
Childcare Grant	561	-	-	361	200	-	-	A number of providers have submitted Expressions of Interest and will soon be submitting full applications
<b>Sub-total</b>	<b>56,492</b>	<b>331</b>	<b>4,854</b>	<b>10,897</b>	<b>28,380</b>	<b>16,884</b>		

## 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
<b>CHILDRENS SERVICES</b>								
Hayeswater Centre - Improving outdoor provision	29	-	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.
<b>Sub-total</b>	<b>514</b>	<b>127</b>	<b>29</b>	<b>87</b>	<b>300</b>	<b>-</b>		
<b>TOTAL CHILDRENS SERVICES</b>	<b>57,006</b>	<b>458</b>	<b>4,884</b>	<b>10,984</b>	<b>28,680</b>	<b>16,884</b>		

## 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	-	2,673	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, work is being undertaken to manage the impact on budget with the statutory responsibilities.
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
<b>TOTAL ADULT SERVICES</b>	<b>9,722</b>	<b>175</b>	<b>2,675</b>	<b>3,759</b>	<b>3,094</b>	<b>2,694</b>		

## 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	1,235	-	247	870	325	40	Rolling	Ongoing programme of work with main element of works being undertaken at Tatton House.
Sale Waterside/Trafford Town Hall Improvements	167	57	20	60	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	72	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	178	220	50	-	Nov-24	Works Underway
Clarendon House, Altrincham - Development works	120		-	120	-	-	-	Complete – Awaiting final costs
<b>TOTAL</b>	<b>6,693</b>	<b>3,613</b>	<b>517</b>	<b>1,700</b>	<b>1,340</b>	<b>40</b>		



## 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	6,904	6,663	74	241	-	-	-	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	168	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	4,355	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.
<b>TOTAL</b>	<b>27,206</b>	<b>19,621</b>	<b>4,597</b>	<b>6,670</b>	<b>839</b>	<b>76</b>		

## 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	-	674	710	-	-	Aug-24	Works complete – minor snagging issues being resolved by contractor.
<b>TOTAL</b>	<b>710</b>	<b>-</b>	<b>674</b>	<b>710</b>	<b>-</b>	<b>-</b>		

## 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	23,400	14,045	6,018	9,355	-	-	Dec- 24	Work is nearing completion with the centre re-open early in the new year.
Partington Sports Village - Levelling Up Fund	22,705	1,606	401	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	72	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	1,235	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		407	532	-	-	Mar-25	Awaiting update on progress of this scheme
Altrincham Golf Course	100	28	1	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.
<b>TOTAL</b>	<b>78,353</b>	<b>17,054</b>	<b>8,753</b>	<b>16,084</b>	<b>19,215</b>	<b>26,000</b>		

## 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	1,678	2,543	-	-	Mar-25	On target to be spent this year
<b>TOTAL</b>	<b>5,871</b>	<b>3,272</b>	<b>1,678</b>	<b>2,579</b>	<b>20</b>	<b>-</b>		

## 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	1,354		327	1,354	-	-	Rolling	Ongoing programme of works
Mayors Cycling and Walking Challenge Fund	20,000	4,757	2,759	5,933	8,960	350	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	136	830	-	-	Mar-25	On target to be spent this year
Moving Traffic Offences - Boroughwide Cameras	465		27	-	465	-	-	Scheme elements still to be developed
New Carrington Complimentary Active Travel	1,021			250	771	-	-	Scheme elements still to be developed
<b>TOTAL</b>	<b>24,864</b>	<b>5,315</b>	<b>3,279</b>	<b>8,803</b>	<b>10,396</b>	<b>350</b>		

## 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	33	65	-	-	Mar-25	On target to be spent this year
<b>TOTAL</b>	<b>289</b>	<b>224</b>	<b>33</b>	<b>65</b>	<b>-</b>	<b>-</b>		

## 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	128	136	-	-	Mar-25	On target to be spent this year
CCTV Cameras - Fly-tipping Prevention	160	-	-	-	160	-	-	No progress has been made on this scheme
<b>TOTAL</b>	<b>723</b>	<b>427</b>	<b>128</b>	<b>136</b>	<b>160</b>	<b>-</b>		

## 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	9,152	-	1,374	3,628	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		442	500	500		Rolling	Work on this element of the programme is now nearing completion.
Additional Pot Hole Funding	485	437	-	48			Mar-25	On target to be spent this year

Network North Additional Maintenance	762		236	762			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	4		308		Jul-25	Remaining works scheduled to be undertaken early in the next financial year.
Street Lighting	1,130		320	830	300		Rolling	Ongoing programme of works
Bridge Assessments and Strengthening	963	250	222	713			Rolling	Ongoing programme of works
Carrington Junction and Relief Road	15,071	4,361	763	7,710	3,000		Rolling	Options are being assessed around the delivery of the rationalisation element of the scheme.
<b>TOTAL</b>	<b>33,064</b>	<b>9,241</b>	<b>3,361</b>	<b>14,191</b>	<b>6,720</b>	<b>2,912</b>		

## 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	104	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	189	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)	5,482	209	-	300	4,973	-	-	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	10	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.
<b>TOTAL</b>	<b>7,754</b>	<b>664</b>	<b>318</b>	<b>1,069</b>	<b>6,021</b>	<b>0</b>		
<b>TOTAL PLACE SERVICES</b>	<b>185,527</b>	<b>59,431</b>	<b>23,338</b>	<b>52,007</b>	<b>44,711</b>	<b>29,378</b>		

## 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
<b>Customer Services</b>								
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.
<b>TOTAL GOVERNANCE AND COMMUNITY</b>	<b>357</b>	<b>-</b>	<b>1</b>	<b>108</b>	<b>249</b>	<b>-</b>		

## 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	547	1,182	-	-	Oct-24	Work on this scheme is progressing well with October being the go live date.
Device Replacement Programme	1,150	-	289	350	400	400	Rolling	This programme will deal with the operation needs of the Council over the coming years.
Content Management System	140	-	25	40	100	-	Mar-26	Initial work has now begun.
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	151	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	10	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	-	159	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	23	18	-	-	Mar-25	On target to be spent this year
Development / Low Code Solution	301	237	34	64	-	-	-	Work is currently being undertaken to get cost certainty and update the profiling of resources.
IT and Digital Service Transformation	40	-	-	-	40	-	Mar-25	On target to be spent this year
Telephony System / Disaster Recovery	50	-	-	50	-	-	-	Complete – Awaiting final costs
<b>TOTAL FINANCE AND SYSTEMS</b>	<b>8,808</b>	<b>1,871</b>	<b>1,534</b>	<b>3,035</b>	<b>2,092</b>	<b>1,810</b>		
<b>TOTAL CAPITAL PROGRAMME</b>	<b>261,420</b>	<b>61,935</b>	<b>32,432</b>	<b>69,893</b>	<b>78,826</b>	<b>50,756</b>		

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

## **Annex 3b**

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

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

### **Summary as at Period 8**

#### **Capital Expenditure Indicators**

Since February, the updated indicators for Capital Expenditure show a decrease £23.45m 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 8 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% below the forecast included in the budget. This is due to reduced levels of borrowing 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
<b>Capital Expenditure</b>					
Capital expenditure - General Programme	74.89	69.90	(4.99)	73.67	50.76
Capital expenditure - Investment Strategy	77.31	58.85	(18.46)	150.09	7.82
<b>Capital expenditure - Total</b>	<b>152.20</b>	<b>128.75</b>	<b>(23.45)</b>	<b>223.76</b>	<b>58.59</b>
<b>Capital Financing Requirement (CFR)</b>	<b>519.41</b>	<b>448.58</b>	<b>(70.83)</b>	<b>567.01</b>	<b>592.88</b>

## External debt indicators

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

Prudential Indicators -	2024/25			2025/26	2026/27
Period 8 2024/25	Approved Limit	Current Forecast	Variance to Limit	Approved Limit	Approved Limit
	£m	£m	£m	£m	£m
<b>External Debt</b>					
Authorised limit for external debt - Capital Programme	280.00	128.82	(151.18)	310.0	310.0
Authorised limit for external debt - Investment Strategy	370.00	260.00	(110.00)	420.0	500.0
Authorised limit for external debt - Other long-term liabilities	3.40	3.38	(0.02)	3.0	2.6
<b>Authorised limit for external debt - Total</b>	<b>653.40</b>	<b>392.20</b>	<b>(261.20)</b>	<b>733.0</b>	<b>812.6</b>
Operational boundary for external debt - Capital Programme	260.00	128.82	(131.18)	290.0	290.0
Operational boundary for external debt - Investment Strategy	370.00	260.00	(110.00)	420.0	500.0
Operational boundary for external debt - Other long-term liabilities	3.40	3.38	(0.02)	3.0	2.6
<b>Operational boundary for external debt - Total</b>	<b>633.40</b>	<b>392.20</b>	<b>(241.20)</b>	<b>713.0</b>	<b>792.6</b>
Forecast capital financing requirement (CFR)		<b>448.58</b>			
Actual external debt (£m): at 30/11/24		<b>356.20</b>			
Over-borrowed/(Under-borrowed)		(92.38)			
Forecast Over-borrowed/(Under-borrowed)		(62.38)			
<b>Is Actual Debt below the CFR?</b>		<b>YES</b>			

Affordability indicators

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

Prudential Indicators - Period 8 2024/25	2024/25			2025/26	2026/27
	Original Forecast	Current Forecast	Variance	Forecast	Forecast
	%	%	%	%	%
<b>Affordability</b>					
Financing Costs to net revenue stream	1.0%	0.9%	(0.1%)	1.8%	2.7%
Net Income for commercial and service investments to net revenue stream	8.0%	8.1%	0.1%	7.8%	7.2%

<b>Affordability - Financing Costs to Net Revenue Stream (Detailed Table)</b>	<b>2024/25 P8 Forecast £000</b>
Net Revenue Stream (£k)	214,039
Net Financing Costs * (£k)	1,860
<b>Net Financing Costs to NRS</b>	0.9%
Gross Financing Costs (£k)	16,074
Gross Investment Interest Income (£k)	(14,214)
<b>Net Financing Costs (£k)</b>	<b>1,860</b>
Using <b>Gross</b> Financing Costs to NRS	7.51%

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

## Local indicators

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

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

Local Indicators	2024/25	2025/26	2027/28
2024 to 2025	£m	£m	£m
<b>Asset investment Strategy</b>			
Gross Income	12.7	14.5	13.1
Financing Costs	9.4	10.6	10.2
<b>Risk Reserve</b>			
Net contributions to/(from) Risk Reserve	(5.9)	(1.6)	(1.3)
Forecast Risk reserve balance at year end	5.5	3.1	1.7

## COUNCIL TAX

In year Council Tax movements	Council Tax Collection Fund P6 £000	Council Tax Collection Fund P8 £000	Trafford's Share P8 £000	Movement in Trafford's share since P6 £000
Tax Base	(197)	(49)	(40)	120
Local Council Tax Support Scheme	(558)	(808)	(657)	(203)
Other Movements (Backdated discounts etc.)	100	60	49	(33)
<b>Total In Year Position (Surplus)/Deficit</b>	<b>(655)</b>	<b>(797)</b>	<b>(648)</b>	<b>(115)</b>