

2023/24 QUARTER 1+ BUDGET MONITORING UPDATE

Report of the Deputy Chief Executive (Section 151 Officer)

1 INTRODUCTION AND BACKGROUND

- 1.1 The purpose of the report is to provide an update on the revenue budget forecast outturn for the period to the end of July 2023 (Quarter 1+). The report also provides an update on the Dedicated Schools Grant, Housing Revenue Account (HRA) and Capital Programme.
- 1.2 Mid-year Portfolio and Performance Resource Reports (PPRRs) and Corporate Performance Resource Report (CPRR) will be presented to scrutiny committees in November. These reports will provide further updates to the in-year budget monitoring position for each portfolio and take account of budget adjustments approved in this report.
- 1.3 The economic and financial landscape facing the Council in-year remains challenging. While the Council's processes for financial management and forecasting our financial position are robust, there is significant uncertainty, volatility and risk in the financial landscape impacting the Council's in-year cost base which means that forecasting the financial position until year end remains challenging and subject to this risk.

2 REVENUE BUDGET

- 2.1 This section of the report sets out the Quarter 1+ Revenue forecast outturn position. It includes:
 - Details of the revenue budget adjustments made since the budget was approved at the Council meeting on the 23 February 2023;
 - A summary of the revenue budget and forecast outturn position for the Council as at 31 July 2023 and details of the revenue forecast outturn position with regard to Cash Limit budgets, Non-Cash Limit budget, Dedicated Schools Grant (DSG) and the Housing Revenue Account (HRA);
 - Update on Reserves.

- 2.2 The following table summarises the changes to the revenue budget that have arisen since setting the budget in February.

2023/24 Revised Budget as at 31 July 2023

	Approved Budget £000	Revised Budget 31/07/22 £000	Increase (Reduction) £000
Cash Limits	221,188	229,643	8,455
Non-Cash Limits	89,218	81,309	(7,909)
Total	310,406	310,952	546

- 2.3 The table reflects the net movement of budgets of £7.909m from Non-Cash Limit to Cash-Limit. This relates to the allocations of corporate contingency budgets to Cash Limit budgets during Quarter 1+ in the main to support inflationary cost increases and demand pressure costs which have crystallised.
- 2.4 In addition, the 2023/24 inflationary increase on the Public Health Grant of £0.546m was confirmed in March. This increases the Public Health budget and the Council's overall budget control figure to £310.952m. As the Public Health Grant is part of the Council Business Rates baselines set by Government in the Local Government Finance Settlement, there is a corresponding reduction in the Council' Business Rates tariff to maintain a balanced budget.
- 2.5 A breakdown of the virements during the Quarter are shown in the table below. The revised budget by Portfolio is shown in Appendix 1.

Virements Presented for Approval by Cabinet

Item	Type*	Amount £000	From	To	P/T**
Price Inflation from Contingency ASC-LD	V	608	NCL	ASC	P
Pension contribution uplift from Contingency	V	313	NCL	Var	P
Public Health Additional Allocation	V	546	#	PH	P
Public Health Savings realignment	V	352	PH	ASC	P
Stopford House Car park Income	BR	196	PH&TS	F&R	P
Contingency Allocations	V	6,945	NCL	Var	P
Blackshaws Museums Income	V	20	F&R (I&D)	CC&S	P
Lisburne School Contingency Allocation	V	163	NCL	EC&F- Ed	T

* V=Virement meaning the transfer of budget from one service area to another

* BR = Budget re-alignment i.e. the transfer of budget and activity from one service area to another

** P = Permanent and T = Temporary

= Revenue Budget Control Total

2023/24 Quarter 1+ Revenue Forecast Outturn Position

- 2.6 The Quarter 1+ forecast outturn position for the Council's revenue budget is a deficit of £3.750m, following the provisional allocation of £8.444m of Covid-19 Financial Scarring Contingency, as set out in the table below. This deficit is made up of a projected £5.451m deficit in cash limit portfolios which is offset by a projected £1.701m non-cash limit surplus.
- 2.7 Officers will be working on financial recovery plans to address the in-year pressures and bring cost in line with budgets. Any year end deficits not offset by non-cash limit surpluses will be funded via one off resources from earmarked reserves and the Council's General Fund Balance.

2023/24 Forecast Revenue Outturn as at 31 July 2023

Portfolio	Original Budget £000	Revised Budget £000	Forecast Outturn £000	(Surplus)/ Deficit £000
Cash Limits				
Climate Change & Environment	8,226	10,054	10,054	0
Communities, Culture & Sport	7,214	7,255	6,842	(413)
Economy, Regeneration & Housing	996	1,010	1,295	285
Education, Children & Families	51,005	51,926	55,900	3,974
Finance & Resources	27,246	29,464	30,843	1,379
Health & Adult Social Care	115,451	117,699	117,699	0
Parks, Highways & Transport Services	11,050	12,235	12,461	226
Total (Cash Limits)	221,188	229,643	235,094	5,451
Non-Cash Limits				
Pay Inflation	6,072	6,072	6,072	0
Inflation - Price and National Living Wage	13,477	7,358	5,344	(2,014)
Demand Pressures	500	0	0	0
Apprenticeship Levy	428	428	428	0
Covid-19 Financial Scarring Impacts	8,580	8,580	8,444	(136)
Other Non-Cash Limits	60,161	58,871	59,320	449
Total (Non-Cash Limits)	89,218	81,309	79,608	(1,701)
Total (Cash & Non-Cash Limits)	310,406	310,952	314,702	3,750
Financed by				
SMBC Council Tax	158,726	158,726	158,726	0
SMBC SC Precept	24,969	24,969	24,969	0
Business Rates Income	79,939	79,939	79,939	0
Business Rates Tariff	(21,001)	(20,455)	(20,455)	0
Grants in Lieu of Business Rates	28,238	28,238	28,238	0
New Homes Bonus Grant	134	134	134	0
Better Care Fund Allocation	6,619	6,619	6,619	0
Social Care Grant	18,578	18,578	18,578	0
Sustainability and Improvement Fund	3,005	3,005	3,005	0
Services Grant	1,938	1,938	1,938	0
Collection Resources	6,636	6,636	6,636	0
Collection Fund 2022/23 Declared	3,860	3,860	3,860	0
Collection Fund Deficit Deferral	(2,119)	(2,119)	(2,119)	0
Appropriation from reserves - balance	884	884	884	0
	310,406	310,952	310,952	0
	0	0	3,750	3,750

Cash Limit

- 2.8 Cash Limit portfolios are forecasting a £5.451m deficit which largely relates to the Education, Children and Families portfolio (£3.974m), with other significant deficits in the Finance and Resources Portfolio (£1.379m), Economy Regeneration and Housing (£0.285m) and Parks, Highways and Transport Services (£0.226m) Portfolios. These are partially offset by a projected surplus in the Communities and Housing Portfolio (£0.413m).
- 2.9 Details for each portfolio can be found below:

Climate Change and Environment

- 2.10 The Quarter 1+ forecast position for the Climate Change & Environment portfolio is a balanced budget.

Communities, Culture & Sport

- 2.11 The forecast Quarter 1+ position is a surplus of £0.413m which represents 5.7% of the cash limit budget.
- 2.12 This position includes pressures in Leisure from income caused by changes in behaviour since the pandemic and by increased energy costs (£2.638m). Also, pressures relating to Taxi and Premises Licensing income (£0.156m). These are mostly offset by a temporary budget allocation from the Council's Covid-19 Financial Scarring contingency and reserves.
- 2.13 The majority of the surplus is due to budget assigned to Stockroom which will not be fully utilised this year and a favourable income forecast in Registrars.

Economy, Regeneration & Housing

- 2.14 The Quarter 1+ forecast position for the Economy, Regeneration & Housing portfolio is a deficit of £0.285m which represents 28.2% of the cash limit budget. The majority of this deficit is caused by expected under recovery of income in the Planning & Building Control areas.
- 2.15 The Quarter 1+ position also includes an estimate for the expected charge to the Investment and Development (I&D) account within the Finance and Resources Portfolio (£0.502m).

Education, Children and Families

- 2.16 There is a forecast deficit at Quarter 1+ of £3.974m which represents 7.7% of the cash limit budget. A breakdown of the forecast is shown below.

Education:

- 2.17 There is a forecast deficit at Quarter 1+ of £0.868m on Education.
- 2.18 This deficit is largely a reflection of the ongoing demand, challenges and cost pressures associated with the statutory requirement to provide SEN transport support to our most vulnerable pupils across the borough.
- The demand for specialist school provision placements over the last 12 months continues to rise and put pressure on the system.

- The number of eligible pupils has risen from circa 785 pupils in May 2022 to circa 880 pupils in July 2023.
- Increase in routes/personal budgets rising from circa 260 to circa 300 in the same period, of which a large number of routes relate to pupil placements in other out of borough external provision.

Children & Family Services:

- 2.19 There is a forecast deficit at Quarter 1+ of £3.106m for this portfolio. The deficit reflects the challenges currently facing the service in the securing of placements for Children Looked After (CLA), the increased complexity of cases and the rising cost of placements in the external market. There are now 40% of placements in external provision above the average weekly cost of circa £5k per week per child in the Greater Manchester residential framework contract. The deficit related to looked after children placements accounts for 51% of the overall deficit. Included within the forecast is an estimated cost for future CLA of £0.800m. This is based on the net increase of CLA going into external placements so far this year, adjusted for an expected small decrease in this trend and in the average cost. This reflects the recovery work being undertaken by the service.
- 2.20 A further part of the deficit relates to section 17 payments to prevent young people from becoming looked after and LAC maintenance in correlation to the increased number in care. There are further deficits in the Children with Disabilities service, and in leaving care related to accommodation for those over 18 who cannot secure tenancies and move out of their funded semi-independent placements.
- 2.21 A recovery plan is in place to address the deficit including the development of a joint commissioning and funding panel (with Health partners). It is hoped that new internal children's homes provision will be open at the start of the 2024/25 financial year and a further business case is in progress for the development of 18+ accommodation for care leavers.

14-19 Service

- 2.22 The Quarter 1 forecast position for 14-19 Service is a balanced budget.

Finance and Resources

- 2.23 The portfolio is forecasting a deficit of £1.379m, which is 4.7% of the £29.464m cash limit. This is after the funding of £8.058m of net expenditure from earmarked reserves and, in the case of the Investment and Development Account (I&D), Covid-19 scarring contingency.
- 2.24 Pressure areas include Data and Technology (£0.300m), Legal services (£0.300m), and the Single Property Budget (SPB) Operational Estate (£0.600m). Vacancy savings in more staff budget focussed service areas may mitigate some of the deficit as the year progresses.
- 2.25 Data and Technology pressures relate to systems transformation and development costs, software licencing costs and telephony. Legal continue to

experience caseload pressures around adult and complex childcare cases together with recruitment and retention issues of professional staff.

2.26 The SPB's net cost pressure of £0.600m excludes gas and electricity as this is being supported by the allocation by corporate contingencies held to mitigate these costs. The reasons are varied including one-off rates review, increase in planned/reactive maintenance and cost inflation pressures.

2.27 The I&D account is forecast to require £6.622m from the Covid-19 financial scarring contingency and Income and Interest Rate Risk Mitigation reserve. This relates to continued pressure on net income on the Merseyway and Red Rock schemes; void costs of units, mainly the Debenhams store; and service charge on tenants' service charges at Stockport Exchange.

Health and Adult Social Care

2.28 The portfolio is forecasting a balanced position against a cash limit budget of £117.699m.

Adult Social Care

2.29 The service is forecasting a balanced position against a cash limit budget of £105.412m.

2.30 A Quarter 1+ financial forecast includes a greater level of financial risk and uncertainty as extrapolation is based on three to four months of staffing, care management expenditure and income analysis and non-pay information.

2.31 Pressures in demand led, externally commissioned care services are being partially offset by increased external income from what was anticipated at budget setting.

2.32 In addition a further ASC debt provision contingency has been included in the commitments, to increase financial resilience of the ASC debt provision balances. The ASC Debt Recovery Group are continuing to actively progress older, high value debts to minimise the need for debt write off.

2.33 The position reported of £0.953m overspend assumes the remaining minimum savings balance and the brought forward savings balances of £0.461m aligned to All Age and VfM will be achieved recurrently.

2.34 In addition, it is assumed the initial Market Sustainability and Improvement Fund (MSIF) contingency is also included in the position aligned to the impact of fee increases for new bed based clients from enhanced rates when compared to rates of clients leaving bed based services.

Market Sustainability and Improvement Fund

2.35 On 28 July 2023 the Department of Health and Social Care announced additional funding for the ASC Market Sustainability and Improvement Fund (MSIF). The increase nationally is £570m (split £365m in 2023/24 and £205m in 2024/25).

2.36 The initial MSIF allocation to Stockport in 2023/24 is £3.005m. The increased allocation to Stockport in 2023/24 is £1.952m. Based on this, an indicative increased allocation for 2024/25 would be circa £1.100m.

2.37 The allocation has allowed the financing of £1m of Adult Social Care demand and inflationary costs to be contained within the current budget and additional grant. Further commitments against the funding and how it can be used to support the in-year position and 2024/25 budget are being considered and will be reported at Quarter 2.

Health and Adult Social Care (Public Health)

2.38 The service is forecasting a balanced position at Quarter 1+ against a cash limit budget allocation of £12.287m. There is a forecast underspend of £0.068m at Quarter 1+ predominantly from short term staffing vacancies (£0.038m) and the Greater Manchester GUM (Genitourinary Medicine) Cross Charging agreement being below budget for 2023/24 (£0.034m), offset by miscellaneous overspends (£0.004m).

2.39 Ongoing pressures on the Public Health reserve in respect of external contracts and a non-recurrent contribution to the All Age Programme result in an anticipated drawdown from reserves of £0.863m to achieve a balanced position, net of the above forecast underspend.

Parks, Highways & Transport Services

2.40 The Quarter 1+ position is a deficit of £0.226m which represents 1.8% of the cash limit budget.

2.41 There is a deficit in the Car Parking service which is partly offset by a temporary budget allocation from the Council's Covid-19 Financial Scarring contingency (£0.300m).

2.42 Ash tree dieback is now prevalent in Stockport and this will have significant health and safety and liability implications where there is the potential for trees to fall onto roads, buildings, and publicly accessible areas. The Quarter 1+ position includes an estimate of the costs (£0.200m) required to deal with ash tree removal in the current year and the forecast assumes that this will be fully offset by use of reserves during 2023/24.

Positive Investments

2.43 As part of the 2021/22 and 2022/23 Budgets, the Council approved a range of positive investments through the utilisation of one-off resources, with the view that it will provide additional Council support to protecting and recovering the Stockport economy, supporting residents, maintaining, and developing the sense of community and providing further financial investment for the Council's Climate Action Strategy. Balances brought forward from 2022/23 are predominantly committed in 2023/24 and updates of the positive investments will be provided in the mid-year PPRs and CPRR.

Non Cash Limit

CSS

2.44 A surplus of £0.040m on a budget of £3.585m. There are some minor variations, but the bigger items including Coroners, Insurance and Housing Benefits are forecast to be in a balanced position.

Place

2.45 The Quarter 1+ position includes a minor net surplus (£0.011m) due to a slight overspend in waste offset by the transport levy.

Technical

2.46 The position for Quarter 1+ is a forecast surplus of £1.650m, which will be used to support the in-year position. This surplus mainly relates to Price Inflation contingencies due to lower-than-expected energy costs and the additional MSIF funding announced reducing the call on contingencies from Adult Social Care. Additionally a forecast surplus relating to Covid-19 Financial Scarring contingency of £0.136m. Offsetting these surpluses is a deficit on the Council's debt charge budgets of £0.500m relating to increased interest rates impacting on borrowing costs.

Dedicated Schools Grant (DSG)

2.47 The Dedicated Schools Grant (DSG) totals £218.584m at Quarter 1+ and is made up of four blocks (Schools, early years, high needs and central school services), the schools delegated budgets are considered spent at the point of delegation as individual school budgets are managed at school level with the governing body.

2.48 The remaining budgetary resources are the Centrally Held Budget (CHB) which is managed by the Council on behalf of schools and consists of a range of services to schools and pupils. The total DSG allocation which is centrally held is £45.084m (largely the high needs block in support of our most vulnerable pupils).

2.49 The Quarter 1+ forecast outturn position provides an in-year deficit at £2.688m in addition to the planned original budget deficit set at £1m in April 2023. Thus a total year-end deficit forecast of £3.648m

2.50 The significant cost pressure within the overall DSG Quarter 1+ forecast are the continued cost increase and demand in the high needs block due to:

- More pupils in mainstream schools accessing HN top-up support funding;
- Requirement to increase local specialist capacity further for SEN placements;
- Increase in placements in high cost external/independent providers; and
- Increase in occupational health and speech and language support contracts for the increased special school pupil cohort.

2.51 The above deficit will be carried forward as part of the overall cumulative deficit (forecast of £14.900m for 31 March 2024).

2.52 The LA has recently been chosen for the DfE delivering better value (DbV) support program and will be working with the project team to review our spend and deploy resources to address the overall cumulative deficit and ensure a sustainable budgetary position going forward.

2023/24 Reserves Policy

2.53 The Council's Reserve Policy, also presented on this agenda, has been updated to ensure the Council's earmarked reserves continue to be aligned to the Council's Council Plan ambitions and priorities. The Reserves Policy is reviewed on an annual basis to ensure the judgements for establishing what available resources are earmarked against are informed and appropriate in relation to the Council's financial challenges.

2.54 A summary of the Reserves Policy adjustments and Quarter 1+ movements on reserves are shown in the table below.

	Balance as at 01/04/2022 £000	Reserves Policy Adjustmen ts* £000	Transfers to / (from) Reserves £000	Balance as at 30/09/2022 £000
General Fund Balances	(14,916)	(267)	0	(15,183)
Total General Fund Balances	(14,916)	(267)	0	(15,183)
Reserve Linked to Budget	(14,452)	5,704	0	(8,748)
Strategic Priority Reserve	(29,330)	2,867	0	(26,463)
Budget Resilience Reserve	(11,354)	(9,723)	0	(21,077)
Corporate Reserves	(22,583)	(3,094)	18	(25,659)
Directorate Reserve	(558)	(192)	0	(750)
Total Earmarked Reserves	(78,277)	(4,438)	18	(82,697)
DSG and School Balances	(16,116)	0	0	(16,116)
HRA Balances	(1,610)	0	0	(1,610)
HRA Earmarked Reserves	(1,611)	0	0	(1,611)
Total Ring-fenced Reserves	(19,337)	0	0	(19,337)
Total Reserves and Balances	(112,530)	(4,705)	18	(117,217)

**Figure includes £4.705m of funds expected to be received in year which have been recognised as part of the available resources in the Reserves Policy.*

Housing Revenue Account (HRA)

- 2.55 The Quarter 1+ forecast HRA position is a surplus of £0.448m which is £0.033m higher than the budget.
- 2.56 The surplus is after allowing for an increased projected management fee of £0.272m due to the additional pay award costs. A reduction of income in service charges resulting from lower increases in utilities is being offset by a lower management fee in relation to this. This surplus is earmarked towards the project currently underway to update the housing management software system. Some positive movements can be seen within the forecast including lower interest and bad debts, along with higher rental income forecast due to better than budgeted voids and Right to Buys (RTBs) to date.

<u>2023-24 HOUSING REVENUE ACCOUNT</u>	Budget 2023-24	Q1 Forecast Outturn	Variance 2023-24
	£000	£000	£000
<u>Expenditure</u>			
<u>Maintenance & Management</u>			
Management Fee	36,206	34,429	(1,777)
Management Fee - Increased Pay Award	0	272	272
Hardship Fund	180	180	0
Strategic HRA Management	1,380	1,380	0
Rents, rates, taxes & other charges	258	258	0
Delivery Plan Initiatives	0	0	0
Total Management and maintenance	38,024	36,519	(1,505)
<u>Other Expenditure</u>			
HRA share of interest charges	5,583	5,488	(95)
Depreciation of fixed assets	12,940	12,940	0
Debt Management Costs (Treasury Management)	65	65	0
Bad debts provision	486	400	(86)
Solar PV Interest	87	69	(18)
Solar PV Voluntary MRP	0	0	0
New Build MRP	0	0	0
New Build Interest	501	574	73
New Build Management and Maintenance	173	173	0
Earmarked Development Provision	0	0	0
Water Charges	4,588	4,792	204
Sub-total	24,423	24,501	78
Total Expenditure	62,447	61,020	(1,427)
<u>Income</u>			
Rents - Dwellings	(46,367)	(46,507)	(140)
Rents from Affordable Rented	(834)	(834)	0
Rents from New Build units	(1,371)	(1,371)	0
Rents (non dwellings)	(300)	(300)	0
Charges for Services & Facilities	(7,511)	(5,728)	1,783
Solar PV FIT income	(1,350)	(1,350)	0
RHI Income	(446)	(446)	0
Water Income	(4,588)	(4,792)	(204)
Retained Income from RTBs	(65)	(65)	0
Total Income	(62,832)	(61,393)	1,439
Net Cost of Services	(385)	(373)	12
Investment Income	(30)	(75)	(45)
Sub-total	(30)	(75)	(45)
Net Operating Expenditure	(415)	(448)	(33)
Voluntary MRP	0	0	0
RCCO	0	0	0
Contribution from Reserves	0	0	0
Sub-total	0	0	0
(Surplus)/Deficit for year	(415)	(448)	(33)
(Surplus)/Deficit brought forward	(1,000)	(1,000)	0
Future Investment Reserve - Budgeted	318	318	0
Future Investment Reserve - Additional	0	33	33
Accumulated (Surplus)/Deficit	(1,097)	(1,097)	0

3 CAPITAL PROGRAMME

- 3.1 The Council's 2023/24 three-year capital programme is £396.422m, with planned expenditure of £169.512m in 2023/24.

2023/24 Three Year Capital Programme

Portfolio	2023/24 Programme £000	2024/25 Programme £000	2025/26 Programme £000	Programme 2026/27 Onwards £000
Communities, Culture & Sport	857	8,101	12,539	500
Economy, Regeneration & Housing	104,356	101,682	22,273	63,678
Education, Children & Families				24
Finance and Resources	26,055	38,815	4,703	30,041
Health and Adult Social Care	308			
Parks, Highways & Transport	37,936	15,006	23,791	4,870
Services				
TOTAL	169,512	163,604	63,306	99,113

- 3.2 The table below provides the position of the 2023/24 Capital Programme as at Quarter 1+. Details of the changes made to the Capital Programme since 1 April 2023 are set out in the following paragraphs.

2023/24 Quarter 1+ Capital Programme

Portfolio	2023/24 Programme £000	Expenditure Quarter 1+ £000
Communities, Culture & Sport	857	
Economy, Regeneration & Housing	104,356	39,316
Finance & Resources	26,055	3,175
Health and Adult Social Care	308	
Parks, Highways & Transport Services	37,936	6,870
TOTAL	169,512	49,361

- 3.3 There has been a net decrease in the overall three-year Capital Programme of £44.653m during the Quarter 1+ reporting period. The decrease is made up of £69.366m re-phasing of schemes to future years offset by £24.713m of new funding allocations.

- 3.4 The most significant new funding allocations in 2022/23 include the following:

- £8.754m directly funded borrowing for Stockport Exchange Phase 4 (Economy, Regeneration and Housing);

- £4.450m in loans to Stockport Homes for the Affordable Homes Scheme (Economy, Regeneration and Housing);
- £5.603m Education, Training and Skills Government Grant funding for School Estate Schemes (Finance and Resources); and,
- £3.443m highways capital grant funding allocations to various schemes (Parks, Highways and Transport Services).

3.5 Capital Schemes are reviewed regularly, and the Programme adjusted accordingly. Since the start of the financial year, a net total of £69.366m has been re-phased from the 2023/24 Capital Programme to 2024/25 and later. The more significant schemes being re-phased from 2023/24 as well as those relating to later years, include the following (the re-phasing is from 2023/24 to 2024/25 unless otherwise indicated):

- £6.131m of Future High Streets grant funding (Economy, Regeneration and Housing);
- £6.452m of directly funded borrowing for Weir Mill (Economy, Regeneration and Housing);
- £4.700m of largely grant funding for the Academy of Living Well (Economy, Regeneration and Housing);
- £1.653m in HRA General Capital and New Build Scheme (Economy, Regeneration and Housing);
- £28.665m of grant funding and corporate unsupported borrowing for School Estates schemes funding to be allocated (Finance and Resources);
- £3.018m of corporate unsupported borrowing towards Asset Management Plan schemes (Finance and Resources);
- £11.692m of grant funding in 2022/23 and £2.931m in 2023/24 relating to SEMMMS Relief Road has been re-phased £9.873m to 2024/25 and £4.750m to beyond the current three year Programme (Parks, Highways and Transport Services);
- £1.831m directly funded borrowing for Merseyway Car Park Waterproofing (Parks, Highways and Transport Services); and,
- £1.900m directly funded borrowing for the Street Lighting Investment Programme (Parks, Highways and Transport Services).

3.6 The changes to the Capital Programme during Quarter 1+ are set out by Portfolio in the table below:

Portfolio	Programme as at 31 March 2023 £000	Additional /Reduced Programme £000	Virement/ Re-phasing £000	Programme as at Quarter 1+ £000
<u>2023/24</u>				
Communities, Culture Sport Economy, Regeneration & Housing	37 113,706	820 13,226	(22,576)	857 104,356
Finance and Resources	50,472	6,948	(31,365)	26,055
Health and Adult Social Care	308			308
Parks, Highways & Transport Services	49,642	3,719	(15,425)	37,936
Total	214,165	24,713	(69,366)	169,512
<u>2024/25</u>				
Communities, Culture Sport Economy, Regeneration & Housing	77,855	8,101	23,827	8,101 101,682
Finance and Resources	10,053	400	28,362	38,815
Health and Adult Social Care				
Parks, Highways & Transport Services	14,051	156	799	15,006
Total	101,959	8,657	52,988	163,604
<u>2025/26</u>				
Communities, Culture & Sport Economy, Regeneration & Housing	31,403	12,539 (7,879)	(1,251)	22,273 23,791
Finance and Resources	1,850		2,853	4,703
Health and Adult Social Care				
Parks, Highways & Transport Services	13,757	158	9,876	12,539
Total	47,010	4,818	11,478	63,306

- 3.7 The following table sets out the resources available to fund the 2023/24 Capital Programme:

Resources	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 onwards £000
Capital Grants	75,216	46,709	37,648	13,330
Directly Funded Borrowing	64,606	74,439	318	37,107
Unsupported Borrowing	8,678	22,528	1,890	2,914
Capital Receipts	3,091	4,554	8,436	12,575
External Contributions	910	0	0	0
Commuted Sums	2,133	200	0	0
Revenue Contributions (RCCO)	1,938	944	500	3,272
HRA funding from MRR	12,940	14,230	14,514	29,915
TOTAL	169,512	163,604	63,306	99,113

Capital Prudential Indicators 2023/24

- 3.8 The prudential indicators for the Council's 2023/24 Capital Programme are set out below. These are split into General Fund (non-HRA) and HRA and compare the budgeted 2023/24 Capital Programme to the updated 2023/24 Capital Programme per this report.

Capital Expenditure	2023/24 Budget £000	2023/24 Forecast £000
General Fund (non HRA)	152,214	139,907
HRA	36,265	29,605
Total	188,479	169,512

- 3.9 The Capital Financing Requirement (CFR) measures the Council's cumulative underlying need to borrow due to capital investment.

Capital Financing Requirement	2023/24 Budget £000	2023/24 Forecast £000
General Fund (non HRA)	755,661	753,201
HRA	164,421	157,897
Total	920,082	911,098

3.10 The ratio of financing costs to net revenue stream is the percentage of the revenue budget set aside each year to service debt-financing costs. The tables below set out these ratios for the General Fund and HRA.

General Fund	2023/24 Budget £000	2023/24 Forecast £000
Total Financing Costs	29,802	27,206
Ratio to Net Revenue Stream	9.60%	8.76%

HRA	2023/24 Budget £000	2023/24 Forecast £000
Total Financing Costs	6,096	6,132
Ratio to Net Revenue Stream	10.76%	10.82%

4 WRITE OFF OF DEBT

4.1 The Council's Financial Procedure Rules require Cabinet to approve the write off of debt with a value of £0.050m or more. Appendix 2 provides detail of a write off requiring approval.

5 RECOMMENDATIONS

5.1 Cabinet is asked to:

- a) Approve the virements to the Revenue Budget;
- b) Note the Cash Limit and Non-Cash Limit forecast outturn positions for 2023/24 as at Quarter 1+;
- c) Note the update on Reserves;
- d) Note the DSG and HRA forecast outturn positions for 2023/24 as at Quarter 1+;
- e) Note the forecast position for the 2023/24 Capital Programme;
- f) Note the changes to the Capital Programme and re-phasing of schemes during Quarter 1+;
- g) Note the 2023/24 Capital Programme Prudential Indicators; and
- h) Approve the debt write off as detailed in appendix 2.

BACKGROUND PAPERS

There are none.

Anyone wishing to inspect the above background papers or requiring further information should contact Jonathan Davies on 0161 218 1025 or by email at jonathan.davies@stockport.gov.uk