

## **2024/25 QUARTER 1 BUDGET MONITORING UPDATE**

### **Report of the Director of Finance (Section 151 Officer)**

#### **1. INTRODUCTION AND PURPOSE OF REPORT**

- 1.1 The purpose of the report is to provide an update on the revenue budget forecast outturn as at the end of June 2024 (Quarter 1). The report also provides an update on the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA), Reserves and Capital Programme as at Quarter 1.
- 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 its financial position are robust, there is significant uncertainty, volatility and risk in the financial landscape impacting the council's in-year cost base. Forecasting the expected year-end financial position remains challenging and subject to risk.

#### **2. REVENUE BUDGET**

- 2.1 The following table summarises the changes to the revenue budget since setting the 2024/25 Budget in February.

##### **2024/25 Revised Budget as at 30 June 2024**

	<b>Approved Budget £000</b>	<b>Revised Budget 31/06/2024 £000</b>	<b>Increase (Reduction) £000</b>
Cash Limit (Service) Budgets	254,268	255,954	1,686
Non-Cash Limit (Corporate Core) Budgets	81,793	80,107	(1,686)
<b>Total</b>	<b>336,061</b>	<b>336,061</b>	<b>0</b>

- 2.2 The table reflects the net movement of budgets of £1.686m from non-cash limit to cash limit. This relates to the allocation 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. It is normal and prudent practice to hold contingency budgets corporately and allocate to services as costs are incurred during the financial year to ensure the council's budget is set on a robust basis.

- 2.3 The virements at Quarter 1 are a mixture of portfolio movements following the May local elections, inflationary contingency allocations and individual service/portfolio adjustments agreed by portfolio holders.
- 2.4 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**
Planning, Building Control & Sustainable Policy	BR	922	ER&H	CC&S	P
Contingency Allocation	V	1,781	NCL	Var	P
Resident Services Management	BR	89	F&R	CC&S	P
Town Hall/Stopford House Receptions	BR	143	F&R	CC&S	P
Business Plans RAS	BR	15	F&R	CC&S	P
Business Support Car Parking	BR	290	F&R	PH&TS	P
Service Transformation Leads	BR	89	H&ASC	F&R	P
School Transport Admin Posts	BR	185	F&R	CF&E	P
New Crescent Children's Home	BR	20	CF&E	F&R	P
Brin & Red Vale Children's centres	BR	72	CF&E	F&R	P
Apprenticeship Store	BR	30	CF&E	F&R	P
Mgt Support Housing & SEND reviews	BR	39	F&R	Var	P
TLC Cost Plus	V	74	CC&E	PH&TS	P

\* 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

**2024/25 Quarter 1 Revenue Forecast Outturn Position**

- 2.5 The Quarter 1 forecast outturn position for the council's revenue budget is a deficit of £2.637m, following the provisional allocation of £8.042m of Covid-19 Financial Scarring Contingency, as set out in the table below. The deficit is made up of a projected £6.336m deficit on cash limit portfolio budgets offset by a forecast £3.699m non-cash limit surplus.
- 2.6 Officers continue to work on financial recovery plans to address the in-year budget pressures, bring costs in line with budgets and mitigate the recurrent impact on the council's medium term financial position. Service financial recovery plans are achieving in-year cost avoidance, which would have adversely impacted the Quarter 1 forecast presented if incurred. However, growing need for support and inflationary costs result in a challenging in-year financial position despite this work. As well as service recovery plans, corporate measures continue to be in place to ensure robust financial management principles underpins the delivery of efficient and effective services to address the financial position.

2.7 Any year end deficit will be funded via one off resources from earmarked reserves and the council's General Fund Balance.

### 2024/25 Forecast Revenue Outturn as at 30 June 2024

Portfolio	Original Budget £000	Revised Budget £000	Forecast Outturn £000	(Surplus)/ Deficit £000
Children, Families & Education	62,052	62,452	66,631	4,179
Climate Change & Environment	10,459	10,385	10,385	0
Communities, Culture & Sport	7,409	7,777	7,862	85
Economy, Regeneration & Housing	1,173	1,208	1,208	0
Finance & Resources	32,809	32,395	33,383	988
Health & Adult Social Care	127,462	128,394	129,178	784
Parks, Highways & Transport Services	12,904	13,343	13,643	300
<b>Total (Cash Limits)</b>	<b>254,268</b>	<b>255,954</b>	<b>262,290</b>	<b>6,336</b>
Pay Inflation	5,063	5,063	5,063	0
Inflation - Price and National Living Wage	3,763	1,982	1,271	(711)
Apprenticeship Levy	441	441	441	0
Covid-19 Financial Scarring Impacts	8,501	8,501	8,042	(459)
Social Care, Neighbourhoods and Prevention Investment	2,673	2,673	0	(2,673)
Other Non-Cash Limits – Capital Financing Costs	11,221	11,221	12,321	1,100
Other Non-Cash Limits	50,131	50,226	49,270	(956)
<b>Total (Non-Cash Limits)</b>	<b>81,793</b>	<b>80,107</b>	<b>76,408</b>	<b>(3,699)</b>
<b>Total (Cash &amp; Non-Cash Limits)</b>	<b>336,061</b>	<b>336,061</b>	<b>338,698</b>	<b>2,637</b>
<b>Financed by</b>				
Council Tax	165,672	165,672	165,672	0
Adult Social Care Precept	28,896	28,896	28,896	0
Business Rates Income	85,113	85,113	85,113	0
Business Rates Tariff	(21,770)	(21,770)	(21,770)	0
Grants in Lieu of Business Rates	30,197	30,197	30,197	0
Business Rates Green Plant and Machinery Compensation	124	124	124	0
New Homes Bonus Grant	24	24	24	0
Better Care Fund Allocation	6,619	6,619	6,619	0
Social Care Grant	24,458	24,458	24,458	0
Market Sustainability and Improvement Fund Services Grant	5,614	5,614	5,614	0
One off Available Resources Waste Reserve Return & AGMA Reserve Return	335	335	335	0
2022/23 Collection Fund Undeclared Surplus	2,476	2,476	2,476	0
2023/24 Collection Fund Undeclared Surplus	3,860	3,860	3,860	0
2023/24 Collection Fund Declared Surplus	4,023	4,023	4,023	0
Appropriation From Reserves	420	420	420	0
	<b>336,061</b>	<b>336,061</b>	<b>336,061</b>	<b>0</b>
	<b>0</b>	<b>0</b>	<b>2,637</b>	<b>2,637</b>

### Cash Limit

2.8 Cash Limit portfolios are forecasting a £6.336m deficit which largely relates to the Education, Children and Families Portfolio £4.179m, with other deficits in the Finance and Resources Portfolio £0.988m, Health & Adult Social Care Portfolio £0.784m and

Parks, Highways and Transport Services Portfolio £0.300m, Communities, Culture & Sport Portfolio £0.085m.

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 deficit of £0.085m which represents 1.1% of the cash limit budget.

2.12 A deficit is forecast in the Libraries service due to the staffing savings being only a part-year effect compared to the full year budget saving £0.150m. Other pressures identified include Taxi Licensing income £0.050m, Hygiene Action & Pest Control income £0.030m and the Resident's Advice Service £0.020m. These pressures are partly offset by vacancies within School Crossing Patrol (£0.075m) and Commercial Standards (£0.050m) and from a forecast underspend on Community Grants (£0.040m).

2.13 As approved in the 2024/25 Budget, Covid Scarring Contingency is being utilised to fund Leisure Management Fee (£1.859m) and the under recovery of income in Premises and Taxi Licensing (£0.045m).

### **Economy, Regeneration & Housing**

2.14 The Quarter 1 forecast position for the Economy, Regeneration & Housing portfolio is a balanced budget.

2.15 This forecast relies on savings from vacancy management and income from major schemes which are expected to offset an underlying reduction in Planning & Building Control income. The forecast also includes an estimate for the charge to the Investment and Development (I&D) account within the Finance and Resources Portfolio (£0.513m) which is used to fund the Town Centre Regeneration team.

### **Education, Children and Families**

2.16 There is a forecast deficit at the end of Quarter 1 of £4.179m which represents 6.7% 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 £0.564m on Education.

2.18 This deficit continues to reflect the ongoing demand, challenges and cost pressures associated with the statutory requirement to provide Special Education Needs (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 despite a budgetary uplift via the Medium Term Financial Plan process.
- The number of eligible pupils has risen from circa 785 in May 2022 to circa 880 in July 2023 to now 1,000 pupils on various SEN transport support/routes, of which several routes relate to pupil placement in Other Local Authority/External provision.

2.19 Officers are completing focussed deep dive sessions on the SEN Transport service. The aim of these sessions is to review the council's legislative requirements in relation to SEN Transport, understand alternative ways to deliver these and reduce costs to address the financial position and support the council's in-year budget and MTFP.

Children & Family Services:

2.20 There is a forecast deficit at Quarter 1 of £3.615m on Children & Family Services. There are currently 516 Children Looked After (CLA) in placements. The deficit reflects the challenges currently facing the service in the securing of placements for CLA, the increased complexity of cases, the rising cost of placements in the external market and the delay in opening the new internal Childrens Homes. There are now 36% of placements in external provision above the average weekly cost in the GM residential framework contract (circa £5,500 per week). The deficit related to CLA placements accounts for 54% of the overall deficit.

2.21 Children with Disabilities, which provides packages of care and respite service, accounts for 26% of the deficit. A further 13% of the deficit relates to section 17 payments to prevent young people from becoming looked after and CLA maintenance in correlation to the increased number in care.

2.22 Officers continue to work on the financial recovery plan to address the forecast deficit alongside work to prevent and avoid costs. Significant costs are being avoided from the work undertaken particularly in terms of early help and intensive support work. However, a rise in children's referrals, increased need for support for vulnerable children and the complexity of the support needs is impacting the delivery of this and results in a challenging in-year financial position.

2.23 The focus of the recovery plan includes:

- Increasing internal placement sufficiency (children's homes and foster care) to avoid cost of external placements;
- Review of the Children with Disabilities service to understand increased need for support from families and support offer;
- Early Help and Prevention and evidenced based intervention and support to support children to be able to stay with their families or transition back to their families from care;
- Improved recruitment and retention of social workers to reduce agency spend; and
- Establishing a multi-agency complex need panel to support joint commissioning and funding packages between Children's Social Care, Education and Health.

**Finance and Resources (F&R)**

2.24 The portfolio is forecasting a deficit of £0.988m, which is a 3.0% variance on the £32.395m cash limit.

2.25 Legal Services are forecast to be in a deficit position of circa £0.800m. In the main this relates to increased staffing costs including locum and barrister support to ensure sufficient capacity to deal with the number of legal case referrals which are often complex. Cost pressures are forecast to continue particularly in the Social Care team, whose caseload includes both Children and Adults' legal cases. The budget pressure is linked to the pressures in the Children, Families and Education and

Health and Adult Social Care portfolios in relation to the increased need for support and the complexity of support needed. The reduction of costs is therefore linked to the success of the recovery plans in these portfolios.

- 2.26 There are other minor variances in other support services, equating to an additional £0.036m deficit.
- 2.27 The Estates and Asset Management is forecast to be in overall net deficit of £0.152m, mainly due to repairs and maintenance cost pressures across the estate.
- 2.28 A recovery plan to reduce the deficit is in place including service reviews incorporating additional vacancy management and recruitment controls for all the services.
- 2.29 The I&D account is forecast to require £7.358m from the financial scarring contingency and Income and Interest Rate Risk Mitigation reserve at year-end to achieve a balanced position

### **Health and Adult Social Care**

The portfolio is forecasting a £0.784m deficit which represents a 0.6% variance against a cash limit budget of £128.394m.

#### Adult Social Care

- 2.30 The service is forecasting a £0.784m overspend against a cash limit budget of £115.642m.
- 2.31 At Quarter 1, the financial forecast includes a greater level of financial risk and uncertainty as extrapolation is based on three months of staffing, care management expenditure and income analysis.
- 2.32 Underlying demographic and demand pressures for externally commissioned care services including projections at Quarter 1 are creating an overspend forecast. The services are considering further in-year savings proposals that will reduce current levels of expenditure and maximise external income. This is in addition to continuing to demonstrate future cost avoidance through interventions from the transformation and cultural changes within the service.
- 2.33 Government have recently announced they are no longer continuing with the national programme of work for Social Care charging reforms due to affordability. It is not anticipated there will be a reduction to Government's current social care funding allocations from this decision.

#### Public Health

- 2.34 The service is forecasting a balanced position at Quarter 1 against a cash limit budget allocation of £12.752m.
- 2.35 There is a forecast underspend of £0.068m at Quarter 1 predominantly from staffing vacancies and the Greater Manchester GUM (Genitourinary Medicine) Cross Charging agreement, being offset by forecast overspends in GP NHS Health checks.

2.36 Ongoing pressures on the Public Health reserve in respect of external contracts result in an anticipated drawdown from reserves of £0.858m to achieve a balanced position, net of the above forecast underspend.

### **Parks, Highways & Transport Services**

2.37 The Quarter 1 position is a deficit of £0.300m which represents 2.2% of the cash limit budget.

2.38 A pressure on cremations income of £0.600m is expected within Bereavement Services as the cremators will not be fully functional / operational for a significant part of the first half of the year. This income pressure is likely to be partly offset by some expenditure savings due to the reduced number of cremations (£0.100m) and by a surplus of income forecast elsewhere within the service (£0.100m). It is expected that the pressure identified in the Bereavement Service will be further offset by vacancy management in the Neighbourhoods service (£0.100m).

2.39 A pressure has been identified on Car Parking income £0.265m which is expected to be offset by vacancy management and other expenditure savings within the Car Parking service.

### **Positive Investments**

2.40 As part of the 2021/22, 2022/23, 2023/24 and 2024/25 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 2023/24 are predominantly committed in 2024/25 and updates of the positive investments will be provided in the mid-year PPRRs and CPRR.

### **Non Cash Limit**

#### CSS

2.41 The position for Quarter 1 is a forecast surplus of £0.750m on a net budget of £2.850m. The surplus includes:

- £0.150m expected savings on the Insurance Fund subject to year-end actuarial review;
- £0.150m favourable variation on housing benefit overpayment recovery (conducted by Revenues and Benefits teams in the Finance and Resources cash limit) subject to year-end reconciliation; and
- £0.392m one-off dividend relating to the return on the council's airport car park investment in 2023/24.

#### Place

2.42 The Quarter 1 position includes a minor deficit (£0.030m).

#### Technical

2.43 The position for Quarter 1 is a forecast surplus of £2.979m, which will be used to support the in-year position.

2.44 The surplus mainly relates to funding for Social Care, Neighbourhoods and Prevention Investment held in contingency. This is being used to support the deficit forecast positions across social care. In addition, price inflation contingencies due to lower-than-expected energy costs and a forecast surplus relating to Covid-19 Financial Scarring contingency of £0.459m support the in-year position. Offsetting these surpluses is a deficit on the council's debt charge budgets of £1.100m relating to increased interest rates impacting on borrowing costs.

### **Dedicated Schools Grant (DSG)**

2.45 The Dedicated Schools Grant (DSG) totals £230.463m 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.

2.46 The remaining budgetary resources are the Centrally Held Budget (CHB) and is managed by the local authority (LA) on behalf of schools and consists of a range of services to schools and pupils.

2.47 The total DSG allocation which is centrally held is £83.658m (which is largely Early Years at £36.640m and the high needs block £40.000m in support of our most vulnerable pupils)

2.48 The Quarter 1 forecast outturn position provides an in-year deficit of £15.908m.

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

- More pupils in mainstream schools accessing High Needs (HN) top-up support funding;
- Requirement to increase local specialist capacity further for Special Education Needs (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.

2.50 The above deficit will be carried forward as part of the overall cumulative deficit (estimated at £39.724m for 31 March 2025).

2.51 The LA continues to be part of the Department for Education (DfE) delivering better value (DbV) support program and will be working with the project team to review our spend and deploy resources to ensure a sustainable budgetary position going forward.

### **Housing Revenue Account (HRA)**

2.52 The HRA forecast at Quarter 1 is illustrating a surplus for the year of £0.633m which is £0.460m better than budgeted. This surplus is ring-fenced to be paid to Stockport Homes (SHL) to contribute to the recovery of costs already incurred by SHL in relation to Project Phoenix.

2.53 Positive budget outcomes are mainly because of; lower final repairs overspend position in SHL from 2023/24 which is reducing the HRA Management Fee, lower interest and bad debts, along with higher rental income due to better than budgeted



voids and Right To Buys. A small adverse variance on the Renewable Heat Incentive income, due to Hollow End Towers not resuming Biomass deliveries until July / August; this is offsetting some of the surplus, along with a small reduction in rent from New Build units due to the Meadow Mill scheme not going ahead.

2.54 A revenue contribution to capital payment of £0.034m is scheduled in-year to contribute towards the purchase of 2 units as part of the Rough Sleeping Accommodation Programme (RSAP) scheme as agreed with the council.

	<b>Budget 2024-25 £000</b>	<b>Quarter 1 Forecast Outturn £000</b>	<b>Variance 2024-25 £000</b>
Total Management and maintenance	38,867	38,747	(120)
Total Other Expenditure	26,309	25,783	(526)
<b>Total Expenditure</b>	<b>65,176</b>	<b>64,530</b>	<b>(646)</b>
<b>Total Income</b>	<b>(65,274)</b>	<b>(65,122)</b>	<b>152</b>
<b>Net Cost of Services</b>	<b>(98)</b>	<b>(592)</b>	<b>(494)</b>
Investment Income	(75)	(75)	0
<b>Net Operating Expenditure</b>	<b>(173)</b>	<b>(667)</b>	<b>(494)</b>
Revenue Contribution to Capital Outlay	0	34	34
<b>(Surplus)/Deficit for year</b>	<b>(173)</b>	<b>(633)</b>	<b>(460)</b>
(Surplus)/Deficit brought forward	(1,097)	(1,097)	0
Future Investment Reserve - Budgeted	173	173	0
Future Investment Reserve - Additional	0	460	460
<b>Accumulated (Surplus)/Deficit</b>	<b>(1,097)</b>	<b>(1,097)</b>	<b>0</b>

\* Further detail in Appendix 2

## Reserves

- 2.55 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 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.
- 2.56 The council's General Fund Balance is £15.183m reflecting the minimum required balance in the Section 151 Officer's risk assessment of the 2024/25 Budget.
- 2.57 A summary of the Reserves Policy adjustments and Quarter 1 movements on reserves are shown in the table below:

	Balance as at 01/04/2024 £000	Reserves Policy adjustments £000	Transfers to / (from) Reserves £000	Balance as at 30/06/2024 £000
General Fund Balances	14,515	668	0	15,183
<b>Total General Fund Balances</b>	<b>14,515</b>	<b>668</b>	<b>0</b>	<b>15,183</b>
Reserve Linked to Budget	6,267	(181)	0	6,086
Strategic Priority Reserve	27,132	148	2,437	29,717
Budget Resilience Reserve	20,491	(632)	0	19,859
Corporate Reserves	28,163	(223)	*2,728	30,668
Directorate Reserve	530	220	0	750
<b>Total Earmarked Reserves</b>	<b>82,583</b>	<b>(668)</b>	<b>5,165</b>	<b>87,080</b>
DSG and School Balances	13,720	0	(12,110)	1,610
HRA Balances	1,097	0	0	1,097
HRA Earmarked Reserves	1,614	0	0	1,614
<b>Total Ring-fenced Reserves</b>	<b>16,431</b>	<b>0</b>	<b>(12,110)</b>	<b>4,321</b>
<b>Total Reserves and Balances</b>	<b>113,529</b>	<b>0</b>	<b>(6,945)</b>	<b>106,584</b>

- 2.58 The Quarter 1 transfers to reserves include a 2023/24 £2.437m waste levy adjustment that has been transferred to the Waste Smoothing reserve within Strategic Priority reserves to support the 2024/25 budget.
- 2.59 Of the £2.728m transferred to Corporate Reserves £2.669m relates to the 2024/25 Business Rates benefit expected in year which has been provisionally allocated/transferred to the Collection Fund reserve within Corporate reserves and will be used to support in-year debt charges. The remaining balance relates to transfers to the Revenue Contribution to Capital Outlay (RCCO) Reserve to support capital schemes in year.
- 2.60 School balances brought forward equating to £12.110m have also been transferred back to schools from the DSG and School Balances reserves.
- ### 3. CAPITAL PROGRAMME
- 3.1 The council's 2024/25 three-year capital programme is £356.942m, with planned expenditure of £168.168m in 2024/25.

## 2024/25 Three Year Capital Programme

<b>Portfolio</b>	<b>2024/25 Programme £000</b>	<b>2025/26 Programme £000</b>	<b>2026/27 Programme £000</b>	<b>Programme 2027/28 Onwards £000</b>
Communities, Culture & Sport	7,098	13,678	375	
Economy, Regeneration & Housing	98,505	58,304	37,442	52,068
Finance and Resources	25,270	24,575	2,609	5,937
Health and Adult Social Care	291			
Parks, Highways & Transport Services	37,004	33,311	18,480	932
<b>TOTAL</b>	<b>168,168</b>	<b>129,868</b>	<b>58,906</b>	<b>58,937</b>

3.2 The table below provides the position of the 2024/25 Capital Programme as at Quarter 1.

### 2024/25 Quarter 1 Capital Programme

<b>Portfolio</b>	<b>2024/25 Programme £000</b>	<b>Expenditure Quarter 1 £000</b>
Communities, Culture & Sport	7,098	173
Economy, Regeneration & Housing	98,505	10,255
Finance & Resources	25,270	5,047
Health and Adult Social Care	291	129
Parks, Highways & Transport Services	37,004	4,828
<b>TOTAL</b>	<b>168,168</b>	<b>20,432</b>

3.3 There has been a net decrease in the 2024/25 Capital Programme of £25.935m during the Quarter 1 reporting period. The decrease is made up of £39.008m re-phasing of schemes to future years offset by £13.073m of new funding allocations.

3.4 The most significant new funding allocations in 2024/25 include the following:

- £3.148m allocation of Disabled Facilities Grant funding (Economy, Regeneration and Housing);
- £2.441m reduction in HRA general capital and new build schemes (Economy, Regeneration and Housing);
- £10.794m of largely Government grant funding for School Estate Schemes (Finance and Resources); and,
- £1.964m of third party loans as part of the overall loan facility to the Leisure CIC (Finance and Resources).

3.5 Capital schemes are reviewed regularly, and the Programme adjusted accordingly. Since the start of the financial year, a net total of £39.008m has been re-phased from the 2024/25 Capital Programme to 2025/26 and later. The more significant schemes being re-phased from 2024/25 include the following (the re-phasing is from 2024/25 to 2025/26 unless otherwise indicated):

- £0.809m of grant funding and directly funded borrowing for the Markets and Underbanks National Lottery Heritage Fund scheme (Economy, Regeneration and Housing);
- £2m of directly funded borrowing for Weir Mill (Economy, Regeneration and Housing);
- £4m of largely grant funding for the Academy of Living Well (Economy, Regeneration and Housing);
- £2.762m in HRA General Capital and New Build Scheme (Economy, Regeneration and Housing);
- £3.244m in loans to Stockport Homes for Affordable Homes schemes (Economy, Regeneration and Housing);
- £18.408m of grant funding for School Estates schemes funding to be allocated (Finance and Resources);
- £3.589m grant funding for the A34 Major Road Network Outline Business Case Preparation scheme (Parks, Highways and Transport Services); and,
- £3.955m grant funding for Cheadle Town (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:

<b>Portfolio</b>	<b>Programme as at 31 March 2024 £000</b>	<b>Additional /Reduced Programme £000</b>	<b>Virement/ Re-phasing £000</b>	<b>Programme as at Quarter 1 £000</b>
<b><u>2024/25</u></b>				
Communities, Culture Sport	7,098			7,098
Economy, Regeneration & Housing	111,038	615	(13,148)	98,505
Finance and Resources	30,920	12,758	(18,408)	25,270
Health and Adult Social Care	291			291
Parks, Highways & Transport Services	44,756	(300)	(7,452)	37,004
<b>Total</b>	<b>194,103</b>	<b>13,073</b>	<b>(39,008)</b>	<b>168,168</b>
<b><u>2025/26</u></b>				
Communities, Culture Sport	13,678			13,678
Economy, Regeneration & Housing	49,656		8,648	58,304
Finance and Resources	6,167		18,408	24,575
Health and Adult Social Care	0			0
Parks, Highways & Transport Services	35,968		(2,657)	33,311
<b>Total</b>	<b>105,469</b>	<b>0</b>	<b>24,399</b>	<b>129,868</b>
<b><u>2026/27</u></b>				
Communities, Culture & Sport	375			375
Economy, Regeneration & Housing	31,302	1,640	4,500	37,442
Finance and Resources	2,609			2,609
Health and Adult Social Care	0			0
Parks, Highways & Transport Services	9,224	(1)	9,257	18,480
<b>Total</b>	<b>43,510</b>	<b>1,639</b>	<b>13,757</b>	<b>58,906</b>

3.7 The following table sets out the resources available to fund the 2024/25 Capital Programme:

<b>Resources</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 onwards £000</b>
Capital Grants	73,400	67,760	23,555	6,622
Directly Funded Borrowing	63,703	32,702	14,904	5,897
Unsupported Borrowing	7,707	2,621	2,561	6,017
Capital Receipts	6,129	9,398	2,683	9,850
External Contributions	244	790	0	0
Commutated Sums	1,215	1,750	490	0
Revenue Contributions (RCCO)	1,872	498	0	0
HRA funding from MRR	13,898	14,349	14,713	30,551
<b>TOTAL</b>	<b>168,168</b>	<b>129,868</b>	<b>58,906</b>	<b>58,937</b>

Capital Prudential Indicators 2024/25

3.8 The prudential indicators for the council's 2024/25 Capital Programme are set out below. These are split into General Fund (non-HRA) and HRA and compare the budgeted 2024/25 Capital Programme to the updated 2024/25 Capital Programme per this report.

<b>Capital Expenditure</b>	<b>2024/25 Budget £000</b>	<b>2024/25 Forecast £000</b>
General Fund (non HRA)	115,147	133,449
HRA	40,108	34,719
<b>Total</b>	<b>155,255</b>	<b>168,168</b>

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

<b>Capital Financing Requirement</b>	<b>2024/25 Budget £000</b>	<b>2024/25 Forecast £000</b>
General Fund (non HRA)	765,135	773,491
HRA	178,627	168,464
<b>Total</b>	<b>943,762</b>	<b>941,955</b>

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.

<b>General Fund</b>	<b>2024/25 Budget £000</b>	<b>2024/25 Forecast £000</b>
Total Financing Costs	35,028	36,990
<b>Ratio to Net Revenue Stream</b>	<b>10.71%</b>	<b>11.31%</b>

<b>HRA</b>	<b>2024/25 Budget £000</b>	<b>2024/25 Forecast £000</b>
Total Financing Costs	6,485	5,606
<b>Ratio to Net Revenue Stream</b>	9.91%	9.15%

#### **4. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

4.1 As detailed in sections 2 and 3.

#### **5. LEGAL CONSIDERATIONS**

5.1 There are no legal considerations.

#### **6. HUMAN RESOURCES IMPACT**

6.1 There are no HR impacts as a result of the content of the report.

#### **7. EQUALITIES IMPACT**

7.1 There are no equalities impacts as a result of the content of the report.

#### **8. ENVIRONMENTAL IMPACT**

8.1 There are no environmental impacts as a result of the content of the report.

#### **9. CONCLUSIONS AND RECOMMENDATIONS**

9.1 CRMG is asked to note and comment on the content of the report including the recommendation to Cabinet.

9.2 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 2024/25 as at Quarter 1;
- c) Note the update on Reserves;
- d) Note the DSG and HRA forecast outturn positions for 2024/25 as at Quarter 1;
- e) Note the forecast position for the 2024/25 Capital Programme;
- f) Note the changes to the Capital Programme and re-phasing of schemes during Quarter 1; and
- g) Note the 2024/25 Capital Programme Prudential Indicators.

#### **BACKGROUND PAPERS**

There are none

Anyone wishing to inspect the above background papers or requiring further information should contact Jonathan Davies on Tel: 218 1025 or by email on [jonathan.davies@stockport.gov.uk](mailto:jonathan.davies@stockport.gov.uk)