

2024/25 QUARTER 3 BUDGET MONITORING UPDATE

Report of the Director of Finance (Section 151 Officer) and Cabinet Member
for Finance & Resources

1. INTRODUCTION AND BACKGROUND

- 1.1 The purpose of the report is to provide an update on the revenue budget forecast outturn as at the end of December 2024 (Quarter 3). The report also provides an update on the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA), Collection Fund, Reserves and Capital Programme as at Quarter 3.
- 1.2 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 that have arisen during Quarter 3

2024/25 Revised Budget as at 31 December 2024

	Approved Budget £000	Revised Budget 30/12/24 £000	Increase (Reduction) £000
Cash Limits (Service) Budgets	261,084	261,084	0
Non-Cash Limit (Corporate Core) Budgets	74,977	74,977	0
Total	336,061	336,061	0

- 2.2 There were no budget movements during Quarter 3 (since the Quarter 2+ report).

2024/25 Quarter 3 Revenue Forecast Outturn Position

- 2.3 The overall Quarter 3 forecast outturn position for the council's revenue budget is a deficit of £4.033m, following the provisional allocation of £7.267m of Covid-19 Financial Scarring Contingency, as set out in the table below. The deficit is made up of a projected £11.344m deficit on cash limit portfolio budgets offset by a forecast £6.909m non-cash limit surplus and £0.402m allocation of 2024/25 Business Rates Growth Levy confirmed by Government in the final settlement.

- 2.4 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 forecast if incurred. However, growing need for support and inflationary costs result in a challenging in-year financial position despite this work. This is particularly evident in relation to Children's Social Care where increasing need for support and complexity of that need is outstripping the cost avoidance being achieved resulting in a significant pressure both in-year and recurrently on the MTFP. 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, taking a One Budget approach to the challenge.
- 2.5 As part of the Greater Manchester Combined Authority (GMCA) 2025/26 budget setting process, £30m of available resources relating to reserves held by GMCA to support Greater Manchester waste disposal budget was approved to be released to the relevant Greater Manchester councils. The council's allocation of the one off resource is £3.6m. Subject to accounting adjustments the forecast year end deficit will be funded via the use of this one off resource. The funding of the deficit balance will be considered at year end including the use of reserves and the council's General Fund Balance.

2024/25 Forecast Revenue Outturn as at 31 December 2024

Portfolio	Original Budget £000	Revised Budget £000	Forecast Outturn £000	(Surplus)/ Deficit £000
Children, Families & Education	62,052	63,353	72,196	8,843
Climate Change & Environment	10,459	10,677	10,777	100
Communities, Culture & Sport	7,409	8,090	8,055	(35)
Economy, Regeneration & Housing	1,173	1,428	1,428	0
Finance & Resources	32,809	34,267	34,465	198
Health & Adult Social Care	127,462	129,629	131,587	1,958
Parks, Highways & Transport Services	12,904	13,640	13,920	280
Total (Cash Limits)	254,268	261,084	272,428	11,344
Pay Inflation	5,063	666	166	(500)
Inflation - Price and National Living Wage	3,763	1,217	339	(878)
Apprenticeship Levy	441	441	441	0
Covid-19 Financial Scarring Impacts	8,501	8,501	7,267	(1,234)
Social Care, Neighbourhoods and Prevention Investment	2,673	2,673	0	(2,673)
Other Non-Cash Limits - Capital Financing Costs	11,221	11,221	12,001	780
Other Non-Cash Limits	50,131	50,258	47,854	(2,404)
Total (Non-Cash Limits)	81,793	74,977	68,068	(6,909)
Total (Cash & Non-Cash Limits)	336,061	336,061	340,496	4,435
<u>Financed by</u>				
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
2024/25 Business Rates Growth Levy Surplus	0	0	402	402
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	5,614	5,614	5,614	0
Services Grant	335	335	335	0
One off Available Resources Waste Reserve Return & AGMA Reserve Return	2,476	2,476	2,476	0
2022/23 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 – Balancing	420	420	420	0
	336,061	336,061	336,463	402
	0	0	4,033	4,033

Cash Limit

- 2.6 Cash Limit portfolios are forecasting a £11.344m deficit which largely relates to the Children, Families and Education Portfolio £8.843m, with other deficits in the Health & Adult Social Care Portfolio £1.958m, Parks, Highways and Transport Services Portfolio £0.280m, Finance and Resources Portfolio £0.198m and Climate Change and Environment Portfolio £0.100m. These are partially offset by a forecast surplus in the Communities, Culture and Sport portfolio of £0.035m.

- 2.7 Details for each portfolio can be found below:

Children Families and Education

- 2.8 This portfolio is forecasting a deficit of £8.843m which represents 14.0% of the cash limit budget of £63.353m and represents an adverse variance of £0.180m when compared with the Quarter 2+ forecast.

Education

- 2.9 The Quarter 3 forecast position for the education remains a £1.223m deficit which represents 14.1% of the service cash limit budget of £8.673m.
- 2.10 The above position largely relates to the ongoing special educational needs (SEN) transport demand pressures as reported during the year and additional Educational Psychology Service agency support costs reported at Quarter 2+.

Children & Families Services

- 2.11 The Quarter 3 forecast position for Children & Family Services is a deficit of £7.620m. This is an increase of £0.180m since Quarter 2+ and represents 13.9% of the cash limit budget of £54.680m for the service. The forecast includes use of earmarked reserves and Covid-19 Scarring Impact contingency (£1.939m).
- 2.12 The largest area of deficit remains in Children Looked After placements, a deficit of £5.283m. External placements accounts for circa 69% of the total reported deficit, totalling £5.276m. Although the deficit on external placements remains high the forecast position is steadily improving with target reductions included in previous forecasts as a result of the completed strategic review being exceeded. The Quarter 2+ forecast of £5.357m included an identified savings target of £0.359m for reductions expected within the reporting period. The Quarter 3 position of £5.290m indicates that this has been achieved and exceeded by £0.067m, resulting in an overall reduction of £0.425m. The Quarter 3 forecast includes a further target reduction of £0.167m for placement end dates identified in the strategic review where the date is between Quarter 3 and outturn.
- 2.13 However, the additional saving in external placements of £0.067m is more than offset by other increasing forecasts of £0.247m. These include a further increase in the number and cost of packages of care for children with disabilities approved at short breaks panel of £0.054m, an increase in agency spend in internal children's homes of £0.060m as a result of high sickness absence, an increase in the forecast within the Youth Offending Service for looked after children on remand of £0.065m and an increase in the forecast for Social Worker staffing costs of £0.085m as a result of the increased and prolonged use of agency staff due to the on-going recruitment challenges.

- 2.14 A detailed review of how the whole system for children's and families services is working to improve children's outcomes and avoid the need for care has been completed by senior officers. This has looked beyond national pressures to see what adjustments to the local system could have a positive effect on the number of children in care, drawing on the best of practice locally and elsewhere.
- 2.15 Findings from the review and any identified actions will form a cross-system improvement plan which will be delivered at pace over the coming weeks and into the new financial year supporting the ongoing financial recovery work.

Climate Change and Environment

- 2.16 This portfolio is forecasting a deficit of £0.100m which represents 0.9% of the cash limit budget of £10.677m and represents an adverse variance of £0.020m when compared with the Quarter 2+ forecast.
- 2.17 The forecast deficit is due to the postponement of the reduction in green bin collections (£0.175m) that was included in the 2024/25 MTFP. This deficit is partly offset by a surplus elsewhere in the Operational Waste budget (£0.075m).

Communities, Culture & Sport

- 2.18 This portfolio is forecasting a surplus of £0.035m which represents 0.4% of the cash limit budget of £8.090m and represents a favourable variance of £0.040m compared with the Quarter 2+ forecast.
- 2.19 The forecast includes a deficit in the libraries service (£0.100m) due primarily to the expected 2024/25 staffing savings having only had a part-year effect as opposed to the full year budget saving expected. Other deficits include income pressures in Hygiene Action & Pest Control (£0.055m), Taxi Licensing (£0.050m) and Premises Licensing (£0.035m).
- 2.20 The forecast deficits are offset by vacancies within School Crossing Patrol (£0.070m), Trading Standards (£0.065m), Communities & Inclusion (£0.050m) and additional Registrars income (£0.055m) and by a forecast underspend on Community Grants (£0.035m).
- 2.21 Covid-19 Financial Scarring Contingency is being utilised to fund the Leisure Management Fee (£1.084m) and partly offset the under recovery of income in Premises (£0.019m) and Taxi Licensing (£0.026m).

Economy, Regeneration & Housing

- 2.22 This portfolio is forecasting a balanced position against the cash limit budget of £1.428m which represents no change to the Quarter 2+ forecast. The forecast relies on savings from vacancy management and some major planning income schemes which are both expected to offset an underlying reduction in Planning income.
- 2.23 Deficits in this portfolio include income pressures in Building Control (£0.075m), Markets (£0.070m) and Town Centre Development (£0.035m) which are mainly offset by vacancies within Strategic Housing (£0.105m) and Growth Regeneration (£0.055m).

- 2.24 The forecast also includes a planned charge to the Investment and Development (I&D) account of £0.420m within the Finance and Resources Portfolio.

Finance and Resources (F&R)

- 2.13 The portfolio is forecasting a deficit of £0.198m, which is a 0.6% variance on the £34.267m cash limit. This is also a reduction in the deficit forecast of £0.187m from Quarter 2+.
- 2.25 The reduction in forecast deficit reflects further savings expected in the Revenues and Benefits service due to lower than anticipated overtime working and fee income from acting as appointee or deputy in administering social care clients' financial affairs.
- 2.26 The main service area in deficit remains Legal and Democratic Governance of £0.738m and is largely due to casework in the Social Care team that includes both adults and children often necessitating the need to bring in counsel, and other professional support.
- 2.27 Most service areas within the portfolio are subject to vacancy and recruitment controls to help offset the overall deficit position following the one budget approach, and this is supporting the overall forecast. This approach has continued generating further savings on salary budgets helping to offset the legal pressures.
- 2.28 The Investment and Development Account is largely unchanged since Quarter 2+, requiring £7.242m from the financial scarring contingency and Income and Risk Mitigation Reserve to achieve a balanced position. This is a favourable change of £0.047m from the previous forecast.

Health and Adult Social Care

- 2.29 The portfolio is forecasting a £1.958m overspend which represents 1.5% of the portfolio cash limit budget of £129.629m. This is an increased overspend of £0.990m on the Quarter 2+ forecast which showed a deficit of £0.968m.

Adult Social Care (ASC)

- 2.30 The service is forecasting a £1.958m deficit at Quarter 3 against a cash limit service budget of £116.818m. An increase of £0.990m from the position reported at Quarter 2+.
- 2.31 The increase of £0.990m from the Quarter 2+ position predominantly relates to:
- Further demand pressures from complex younger adults in receipt of either Mental Health or Learning Disability services. There is also an increase to costs for older adults' homecare services.
 - A revised forecast for Direct Payment reclaims to apply more prudence in the outturn projections and recognise the revised approach to reclaims being received back into the service.
- 2.32 The overspend position assumes that the minimum in year savings balance for ASC of £0.7m is achieved in full. The minimum savings requirement of £2.1m has been achieved as a full year effect from 2025/26.

- 2.33 There are challenges in recruitment, retention and sickness within the service which are requiring business critical in year vacancies to be in part filled by agency staff, which is an increased cost to the council.

Health and Adult Social Care (Public Health)

- 2.34 The service is forecasting a balanced position at Quarter 3 against a cash limit budget allocation of £12.811m.
- 2.35 Additional Public Health grant funding of £0.289m was received in Quarter 3 to cover higher than expected increases to NHS Agenda for Change costs in 2024/25. The service is working on how this will be allocated to NHS and non-NHS providers.
- 2.36 The additional funding will relieve pressure on existing Public Health grant allocation forecasts but financial pressures from General Practice (GP) demand led services, Tier 4 Drug and Alcohol services and reduced external contributions remain. These pressures are offset by minor in year staffing vacancies, a reduced forecast for Drug and Alcohol prescribing costs and reduced activity for the cross charging of Genito-Urinary Medicine (GUM), creating a net underspend of £0.210m.
- 2.37 In addition, there are continued financial pressures aligned to external contracts forecasted at £0.454m in year, which may require a contribution from Public Health reserve balances. An options paper is being developed to consider how this recurrent financial gap can be mitigated, given the significant underlying financial pressure.

Parks, Highways & Transport Services

- 2.38 This portfolio is forecasting a deficit of £0.280m which represents 2.1% of the cash limit budget of £13.640m and represents a favourable variance of £0.095m compared with the Quarter 2+ forecast.
- 2.39 A deficit is forecast mainly due to the cost of repairs and reduced cremations income within Bereavement Services due to the cremators not currently being fully functional (£0.265m). It is expected that this pressure will be partly offset by savings from vacancy management in the Neighbourhoods service (£0.220m).
- 2.40 Pressures in the highways area include Infrastructure Management capital recharges (£0.100m), Feasibility capital recharges (£0.060m) and Highways Design and Improvement capital recharges (£0.035m). A prudent level of risk has been included in the forecast for recharges to the capital programme, consequently there may be a favourable variance at year-end.
- 2.41 Other pressures include Car Parking income (£0.100m), Parks and Open Spaces (£0.060m) and Road Safety (£0.060m). These pressures are partly offset by a forecast surplus on Street Lighting energy (£0.175m) and the Network Management budget (£0.035m).
- 2.42 Potential overspends have been identified on Street Lighting and Highways reactive maintenance; however, these deficits have not been included in the current forecast because it is envisaged that they will be contained within Totally Local Company budgets.

Non-Cash Limit

- 2.43 Non-cash limit budgets are forecasting an overall surplus of £6.909m which represents 9.2% of the non-cash limit budget of £74.977m and represents a favourable variance of £0.157m compared with the Quarter 2+ forecast.

CSS

- 2.44 The items classed within the CSS Non-Cash limit are forecast to be in surplus of £0.869m which represents 30.4% of the CSS Non-cash limit budget, an increase of £0.085m from that previously forecast in Quarter 2+. The change is due to refunds expected from AGMA and Manchester Airport Group (MAG) relating to the prior year.
- 2.45 The main items generating the surplus forecast are interest and dividends (£0.500m), housing benefit processing (£0.150m), and the Insurance Fund (£0.150m).

Place

- 2.46 A deficit of £0.103m is forecast which represents 0.2% of the Place Non-cash limit budget and an adverse variance of £0.103m compared with the Quarter 2+ forecast. This change in position relates to a capital contribution from Coroners to the capital works at Mount Tabor which will be made in 2024/25 (it was previously thought it would be made in 2025/26).

Technical

- 2.47 The position for Quarter 3 is a forecast surplus of £6.143m which represents 22.8% of the Technical non-cash limit budget and is a favourable variance of £0.175m from the Quarter 2+ forecast surplus of £5.968m.
- 2.48 The change in forecast from Quarter 2+ relates to a reduction in the forecast call on Covid-19 scarring contingency (£0.175m). The surplus will be used to support the in-year position.

Dedicated Schools Grant (DSG)

- 2.49 The Dedicated Schools Grant (DSG) 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.
- 2.50 The remaining budgetary resources are the Centrally Held Budget (CHB) which is managed by the local authority on behalf of schools and consists of a range of services to schools and pupils. The total DSG allocation which is centrally held is £83.143m (which is largely Early Years, £36.640m and the high needs block £40m in support of our most vulnerable pupils).
- 2.51 The updated Quarter 3 forecast outturn position is an in-year deficit of £7.2m in addition to the planned original budget deficit of £12.4m set in April 2024, thus totalling a total year-end deficit forecast of £19.602m.
- 2.52 The significant cost pressure within the overall DSG position 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; and
- Increase in placements in high-cost external/independent providers.

2.53 The current regulations and accounting rules provide an 'over-ride' exception whereby the cumulative deficit can be held on councils' balance sheets and not impact on councils' General Fund. Current regulations and accounting rules allowing this 'over-ride' position ends in March 2026. The significant risk of an exponentially increasing deficit position linked to insufficient high needs funding to meet an increasing need for support and complexity is a real concern for all councils. The National Audit Office estimate a national deficit position of circa £4.3bn with 43% of councils estimated to have high needs deficits which are greater than their reserves. Without Government intervention, and at the very least an extension to the current regulations and accounting rules providing the 'over-ride' position, there is a risk councils will need to issue section 114 notices if their cumulative deficits have to be recognised and funded.

2.54 The council's in-year deficit will be carried forward as part of the overall cumulative deficit held on the council's balance sheet (forecast of £43.418m as at 31 March).

Housing Revenue Account (HRA)

2.55 The Quarter 3 forecast for the HRA is a surplus of £0.626m which is £0.453m better than budgeted. This surplus is ring-fenced to be paid to Stockport Homes to go towards the recovery of costs already incurred by Stockport Homes in relation to Project Phoenix.

2.56 Positive budget outcomes are mainly a result of a lower final repairs overspend position in Stockport Homes from 2023/24 which had been built into the 2024/25 Management Fee, lower interest and bad debts, along with higher rental income due to better than budgeted voids and right to buys.

2.57 These positive changes are offset somewhat by the following adverse variances:

- Service charge income showing an adverse variance which is mainly due to the installation of heat meters during the year as part of the Capital Programme, which were completed earlier in the year than originally expected.
- A small adverse variance on the Renewable Heat Incentive (RHI) income is further offsetting some of the surplus, along with a small reduction in rent from New Build units due to the Meadow Mill and Vine Street schemes not going ahead.
- Following the announcement to lower the right to buy (RTB) discount levels and subsequently higher numbers of applications being received prior to the deadline, the RTBs have been increased from the budget of 50 to 90, although some of these may fall into the next financial year.
- An RCCO payment of £0.034m is scheduled in-year to contribute towards the purchase of two units as part of the RSAP scheme as agreed with the council.

HOUSING REVENUE ACCOUNT – 2024/25

	Budget 2024-25 £000	Quarter 3 Forecast Outturn £000	Variance £000
Total Management and maintenance	38,867	38,693	(174)
Total Other Expenditure	26,309	25,757	(552)
Total Expenditure	65,176	64,450	(726)
Total Income	(65,274)	(65,035)	239
Net Cost of Services	(98)	(585)	(487)
Investment Income	(75)	(75)	0
Net Operating Expenditure	(173)	(660)	(487)
RCCO	0	34	34
(Surplus)/Deficit for year	(173)	(626)	(453)
(Surplus)/Deficit brought forward	(1,097)	(1,097)	0
Future Investment Reserve - Budgeted	173	173	0
Future Investment Reserve - Additional	0	453	453
Accumulated (Surplus)/Deficit	(1,097)	(1,097)	0

Collection Fund

- 2.58 The forecast outturn position is a surplus of £0.290m made up of a £0.604m deficit on Council Tax and a £0.894m surplus on Business Rates. The council's share of this surplus is £0.376m made up of a £0.509m deficit on Council Tax and a £0.885 surplus on Business Rates. This surplus includes £0.111m that will be distributed to GMCA as part of the agreed 100% Business Rates retention benefit share, resulting in a balance of £0.264m for the council. This surplus is already incorporated into the declared position in the 2025/26 Council Tax Base and Non-Domestic Rates Forecast Report which is being used to support the council's 2025/26 budget and MTFP.

	Council Tax £000	Business Rates £000	Total £000
Collection Fund Income	(229,912)	(91,309)	(321,221)
Council Tax Support Fund	(385)		(385)
Collection Fund Expenditure	230,901	90,415	321,316
2024/25 (Surplus)/Deficit	604	(894)	(290)
Allocated to:			
Stockport Metropolitan Borough Council	509	(885)	(376)
Mayoral Police and Crime Commissioner	66		66
Mayoral General including Fire Services Share	29	(9)	20
	604	(894)	(290)

- 2.59 The forecast outturn deficit position on Council Tax in 2024/25 includes income forgone because of awarding one-off discretionary assistance to residents and this will be offset by the amount set aside in the Collection Fund reserve.
- 2.60 The Council Tax deficit has increased from the Quarter 2+ position by £0.073m reflecting higher than average exemption reliefs and slippage on new housing developments which had been built into the Council Tax taxbase in 2024/25.
- 2.61 The Business Rates surplus position has decreased slightly by £0.098m from the Quarter 2+ position due to a worsening position on the gross rates. The

total surplus arises from a deficit on gross rates of £0.887m, a deficit of £0.737m on the Small Business Rates Relief and Charity Relief offset by favourable variances of £1.411m on the top up to the appeals provision and £1.107m on Unoccupied Property and discretionary reliefs.

- 2.62 The GM benefit arising from the current forecasted position is £7.610m and will be shared between the council and GMCA on 25%/75% proportions. This is a favourable variance of £0.490m compared to the budgeted benefit of £7.120m and the council's share of this is £0.368m. This benefit is included in the business rates outturn position outlined above and is not additional resource. The GM benefit arises from the Trailblazer 100% Business Rates retention agreement and is the difference between the income from Business Rates under 100% retention versus remaining in the 50% retention scheme.

Reserves and Balances

- 2.63 The table below shows the overall summary position on reserves at Quarter 3 and reflects the adjustments made as part of the Reserves Policy reported earlier in the year as well as appropriations made to the end of December.

	Balance as at 01/04/2024 £000	Reserves Policy adjustments £000	Transfers to / (from) Reserves £000	Balance as at 31/12/2024 £000
General Fund Balances	14,515	668	0	15,183
Total General Fund Balances	14,515	668	0	15,183
Reserve Linked to Budget	6,267	(181)	0	6,086
Strategic Priority Reserve	27,132	147	2,437	29,716
Budget Resilience Reserve	20,491	(632)	0	19,859
Corporate Reserves*	28,163	(222)	3,243	31,184
Directorate Reserve	530	220	0	750
Total Earmarked Reserves	82,583	(668)	5,681	87,595
DSG and School Balances	13,720	0	(11,337)	2,383
HRA Balances	1,097	0	0	1,097
HRA Earmarked Reserves	1,614	0	0	1,614
Total Ring-fenced Reserves	16,431	0	(11,337)	5,094
Total Reserves and Balances	113,529	0	(5,656)	107,872

**Figure includes £2.669m of funds expected to be received in year which have been recognised in the Reserves Policy.*

- 2.64 The only changes to Reserves and Balances in Quarter 3 are a transfer to the DSG and school's balances of £0.773m relating to 2023/24 excess surpluses (above the 12% threshold) and a transfer to the Revenue Contribution to Capital Outlay (RCCO) Reserve (£0.010m) to support capital schemes in year.

3. CAPITAL PROGRAMME

- 3.1 The council's 2024/25 three-year capital programme is £349.781m, with planned expenditure of £128.578 in 2024/25.

2024/25 Three Year Capital Programme

	2024/25 Programme £000	2025/26 Programme £000	2026/27 Programme £000	Programme 2027/28 Onwards £000
Communities, Culture & Sport	2,379	13,589	6,391	292
Economy, Regeneration & Housing	69,549	79,816	33,832	36,662
Finance & Resources	23,280	35,016	4,056	5,784
Health & Adult Social Care	233	58		
Parks, Highways & Transport Services	33,137	32,750	15,695	9,121
TOTAL	128,578	161,229	59,974	51,859

- 3.2 The table below provides the position of the 2024/25 capital programme as at Quarter 3. Further information about the changes made to the capital programme since last reported at Quarter 2+ are set out in the following paragraphs.

2024/25 Quarter 3 Capital Programme

Portfolio	2024/25 Programme £000	Expenditure Quarter 3 £000
Communities, Culture & Sport	2,379	1,155
Economy, Regeneration & Housing	69,549	38,926
Finance & Resources	23,280	17,948
Health & Adult Social Care	233	71
Parks, Highways & Transport Services	33,137	12,691
TOTAL	128,578	70,791

- 3.3 The capital programme is reviewed regularly and updated as schemes are developed and progress. There has been a net decrease in the overall three-year capital programme of £2.933m since last reported at Quarter 2+ and the most significant change relates to a reduction in the HRA New Build scheme for 2025/26 of £3.037m.
- 3.4 Capital schemes often span several years, and funding is re-phased to align with the anticipated timing of expenditure. Since being reported at Quarter 2+, a net total of £12.283m has been re-phased from 2024/25 to 2025/26 and later. The more significant schemes being re-phased include the following:
- £5.478m of grant funding for Marple Community Hub has been re-phased from 2024/25 and £0.899m from 2025/26, to meet planned expenditure of £6.085m in 2026/27 and £0.292m in 2027/28 (Communities, Culture and Sport);
 - £0.539m of largely grant funding for School Estates schemes has been re-phased from 2024/25 to 2025/26 (Finance & Resources);

- £2.114m of directly funded borrowing for the Adswood Depot Redevelopment has been re-phased from 2024/25, £1.717m to 2025/26 and £0.397m to 2026/27 (Finance and Resources); and,
- £3.439m of grant funding for the A34 Major Road Network highways scheme has been re-phased from 2024/25, £1.089m from 2025/26 and £2.362m from 2026/27 to support delivery of the scheme in 2027/28 (Parks, Highways and Transport Services).

3.5 The changes to the Capital Programme since Quarter 2+ are set out by Portfolio in the table below:

	Programme as at 30 Nov 2024 £000	Additional /Reduced Programme £000	Virement/ Re-phasing £000	Programme as at 31 Dec 2024 £000
<u>2024/25</u>				
Communities, Culture & Sport	7,857		(5,478)	2,379
Economy, Regeneration & Housing	69,559	433	(443)	69,549
Finance and Resources	25,933		(2,653)	23,280
Health and Adult Social Care	233			233
Parks, Highways & Transport Services	37,160	(314)	(3,709)	33,137
Total	140,742	119	(12,283)	128,578
<u>2025/26</u>				
Communities, Culture & Sport	14,488		(899)	13,589
Economy, Regeneration & Housing	82,856	(3,037)	(3)	79,816
Finance and Resources	32,775	(15)	2,256	35,016
Health and Adult Social Care	58			58
Parks, Highways & Transport Services	33,569		(819)	32,750
Total	163,746	(3,052)	535	161,229
<u>2026/27</u>				
Communities, Culture & Sport	306		6,085	6,391
Economy, Regeneration & Housing	33,608		224	33,832
Finance and Resources	3,659		397	4,056
Health and Adult Social Care	0			0
Parks, Highways & Transport Services	18,057		(2,362)	15,695
Total	55,630	0	4,344	59,974

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

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 onwards £000
Capital Grants	62,978	73,414	23,214	9,333
Directly Funded Borrowing	37,425	60,273	17,689	
Unsupported Borrowing	5,299	4,668	3,076	5,864
Capital Receipts	3,174	5,085	306	
External Contributions	528	768		
Commuted Sums	1,620	2,109		
Revenue Contributions (RCCO)	3,656	563	976	36,662
HRA funding from MRR	13,898	14,349	14,713	
TOTAL	128,578	161,229	59,974	51,859

Capital Prudential Indicators 2024/25

- 3.7 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.

Capital Expenditure	2024/25 Budget £000	2024/25 Forecast £000
General Fund (non HRA)	115,147	103,184
HRA	40,108	25,394
Total	155,255	128,578

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

Capital Financing Requirement	2024/25 Budget £000	2024/25 Forecast £000
General Fund (non HRA)	765,135	761,316
HRA	178,627	160,714
Total	943,762	922,030

- 3.9 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	2024/25 Budget £000	2024/25 Forecast £000
Total Financing Costs	35,028	33,764
Ratio to Net Revenue Stream	10.71%	10.32%

HRA	2024/25 Budget £000	2024/25 Forecast £000
Total Financing Costs	6,485	6,252
Ratio to Net Revenue Stream	9.91%	9.58%

4. RECOMMENDATIONS

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

4.2 Cabinet is asked to:

- a) Note the Cash Limit and Non-Cash Limit forecast outturn positions for 2024/25 as at Quarter 3;
- b) Note the DSG, HRA and Collection Fund forecast outturn positions for 2024/25 as at Quarter 3;
- c) Note the update on Reserves;
- d) Note the forecast position for the 2024/25 Capital Programme;
- e) Note the changes to the Capital Programme and re-phasing of schemes during Quarter 3; and
- f) 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 0161 218 1025 or by email at jonathan.davies@stockport.gov.uk