

Classification: Open	Decision Type: Non-Key
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Report to:	Cabinet	Date: 16 July 2024
Subject:	Finance Update Report	
Report of	Cabinet Member for Finance and Transformation	

Summary

1. To present to members the 2023/24 revenue outturn position.
2. To present to members the updated Medium-Term Financial Forecast (MTFF) position for 2024/25 to 2026/27, to include the following items:
 - Bury £1.701m share of the additional £500m added to the Social Care Grant to bolster social care budgets and £22k increase in the Services Grant, announced in the final 2024/25 Local Government Finance Settlement.
 - £444k full year effect of increasing fees and charges following a further review of our charges.
3. To present to members the updated Net Budget for 2024/25.
4. To inform members of the final reserves position as at 31 March 2024.
5. To present to members the 2023/24 capital outturn position and request approval to move the slippage into 2024/25.
6. To present an update to members on the Finance Improvement Plan
7. To set out the work plan to close the budget gap, to be reported at September Cabinet in the MTFF refresh.

Recommendation(s)

8. Cabinet is asked to:
 - Note the 2023/24 revenue outturn position of a £6.607m overspend (3.47%) against a net budget of £190.274m.
 - Approve the updates to the Medium-Term Financial Forecast (MTFF) for the additional £1.701m Social Care Grant, £22k increase in the Services Grant and an increase to the fees and charges as set in section 21 and Appendix A totalling £444k.

- Note the updated budget gap of £27.918m, a reduction of £2.167m on the £30.085m budget gap reported at the Budget Council Meeting in February 2024.
- Note the updated Net Revenue Budget of £224.480m and £1.982m reduction in the use of reserves, from £15.131m to £13.149m.
- Note the General Fund and Earmarked Reserves balance at 31 March 2024 of £104.389m.
- Note the overall 2023/24 capital programme outturn position of £52.944m, 70% compared to the overall 2023/24 capital programme budget of £75.475m.
- Approve the in-year capital slippage of £23.419m is transferred into 2024/25.
- Note the Finance Improvement Plan update.
- Note the work plan to close the £27.918m budget gap.

9. Council is asked to:

- Approve the increase to the fees and charges as set in section 21 and Appendix 1 totalling £444k.
- Note the updated Net Revenue Budget of £224.480m and £1.982m reduction in the use of reserves, from £15.131m to £13.149m.

Reasons for recommendation(s)

10. To note the final financial position for 2023/24 subject to external audit.
11. To update members on the Councils budgetary position and set out the work plan to close the budget gap.

Alternative options considered and rejected

12. Not increase fees and charges.

Report Author and Contact Details:

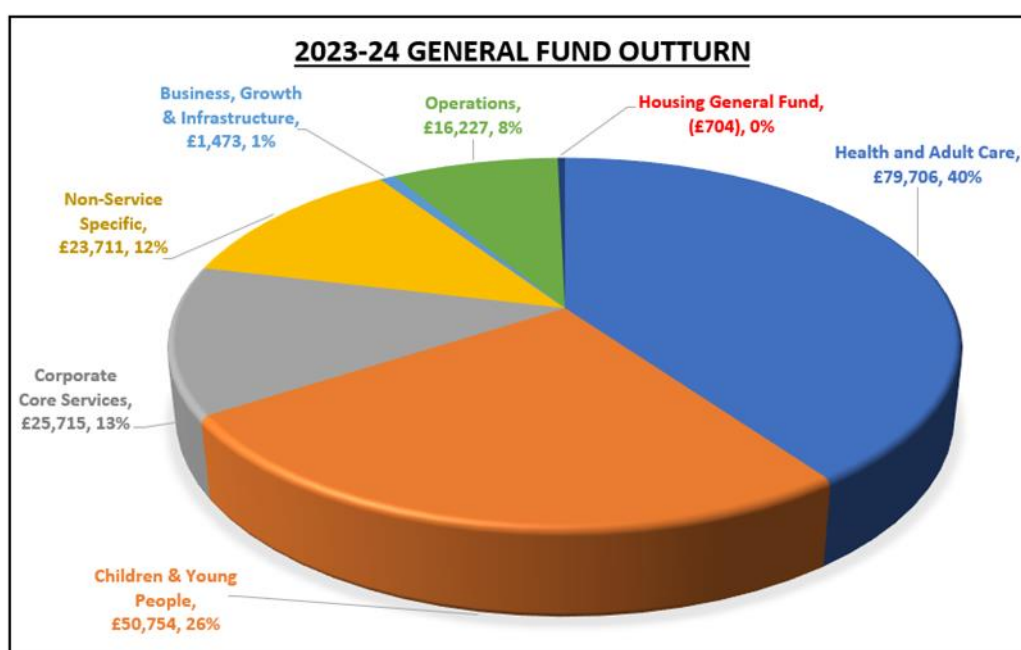
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Background

2023/24 Revenue Outturn

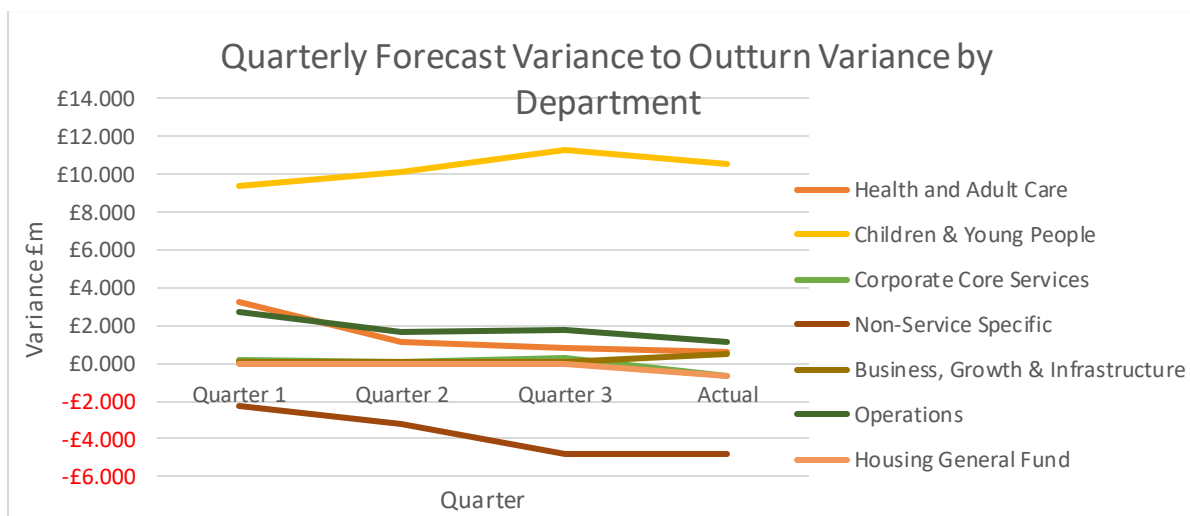
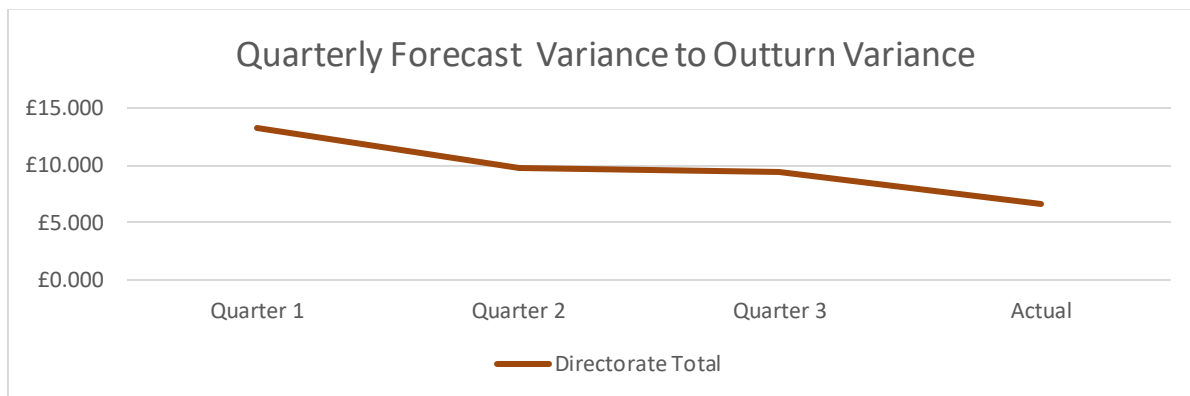
13. The 2023/24 general fund revenue outturn position was an overspend of £6.607m (subject to audit) which represents a variance of 3.47% compared to the overall revenue budget of £190.274m.

2023-24 Revenue Outturn	Revised Budget £m	Actual £m	Actual to Budget Variance £m
Health and Adult Care	£79.135	£79.706	£0.571
Children & Young People	£40.249	£50.754	£10.505
Corporate Core Services	£26.364	£25.715	(£0.649)
Non-Service Specific	£28.495	£23.711	(£4.784)
Business, Growth & Infrastructure	£1.009	£1.473	£0.464
Operations	£15.101	£16.227	£1.125
Housing General Fund	(£0.079)	(£0.704)	(£0.625)
Directorate Total	£190.274	£196.881	£6.607
Funding	(£190.274)	(£190.274)	£0
GENERAL FUND	£0	£6.607	£6.607



14. The quarterly forecast positions and the actual outturn position can be seen in the table below:

2023-24 Revenue Outturn	Revised	Quarter 1	Quarter 2	Quarter 3	Actual
	Budget £m	Variance £m	Variance £m	Variance £m	Variance £m
Health and Adult Care	£79.135	£3.216	£1.145	£0.855	£0.571
Children & Young People	£40.249	£9.361	£10.085	£11.279	£10.505
Corporate Core Services	£26.364	£0.167	£0.044	£0.273	(£0.649)
Non-Service Specific	£28.495	(£2.257)	(£3.200)	(£4.797)	(£4.784)
Business, Growth & Infrastructure	£1.009	£0.040	£0.082	£0.048	£0.464
Operations	£15.101	£2.740	£1.640	£1.803	£1.125
Housing General Fund	(£0.079)	£0.000	£0.000	£0.000	(£0.625)
Directorate Total	£190.274	£13.266	£9.796	£9.462	£6.607
Funding	(£190.274)	£0.000	£0.000	£0.000	£0.000
GENERAL FUND	£0.000	£13.266	£9.796	£9.462	£6.607



15. Details of the significant variances include:

Health and Adult Care:

- The Care in the Community budget overspent by £1.102m, due to:
 - An increase in demand for Home Care packages as a result of supporting hospital discharges into home care settings.
 - New 'in year demand' demand or increases to existing care packages.
 - Legacy demand pressures because of Covid Hospital Discharge policy
 - In year savings shortfall.
- The Commissioning & Procurement budget overspent by £371k, due to:
 - A £600k overspend on the Persona budget regarding additional Supported Living staffing costs and savings slippage.
 - A £160k underspend due to vacant posts within the Community Commissioning Team.
 - A £110k permanent contractual savings within the Neighbourhood Housing Support budgets.
 - A £68k underspend due to Carers grant account closures.
- The Adult Social Care Operations budget underspent by £315k, the main driver of the £315k underspend are staffing vacancies within the Assessment and Care Management, Integrated Neighbourhood Team (INT), Reviewing Team and Community Mental Health Team staffing budgets.
- The Public Health budget underspent by £428k, due to:
 - Staffing Budget underspend - £45k.
 - NHS Health Check Contract Saving - £50k.
 - Domestic Violence Contract saving - £90k.
 - Reduction in Activity of Out of Borough Sexual health Services - £193k.
 - Reduction in Substance Misuse prescribing costs - £50k.

Children and Young People:

- Children's residential placements including Children with disabilities overspent by £5.134m, due to increasing placement costs from private providers which continues to be an issue.
- The safeguarding service overspent by £1.493m, due to high agency costs, increased costs for Non-Looked After (NLA) support packages and legal charges.
- Home to School Transport overspent by £1.664m, due to increase in demand alongside inflationary costs.
- Inclusion and Partnerships overspent by £1.387m, with The Short Breaks service being the largest contributing area to this adverse variance which in part is due to the unachieved previously approved savings target of £200k and short breaks costs of £300k previously funded through DSG. An increase in demand and costs for Personal budgets is also contributing to the overall overspend.

Corporate Core Services:

- People and Inclusion service underspent by £314k, due to staffing underspends and ringfenced funding for specific posts and reduced running costs within business support.
- Finance underspent by £241k, due to net income from the Collection Fund higher than forecast in relation to summons costs income, cost of collection. £482k. This is offset by an overspend in relation to the statutory external audit fee of £181k and an overspend for the additional resources to support the finance improvement agenda and additional work to support children's services £91k.

Non-Service Specific:

- Cost of borrowing was underspent by £3.402m due to less borrowing being undertaken through the re-phasing and slippage on the capital programme, increase in investment income due to high interest rates.
- Greater Manchester Waste Disposal levy was underspent by £1.397m due to the additional return of the waste levy rebate.

Business Growth and Infrastructure:

- The main reasons for the overspend were lower than budgeted incomes in Development Management (Planning), Building Control and the two Shopping Centres (Longfield in Prestwich and Mill Gate in Bury).

Operations:

- The main driver of the directorate overspend relates to £1.337m overspend on energy costs due to high prices/inflation that has led to overspends in the high-volume areas of Leisure and Highways within the Operations Department.

16. A significant amount of the overspend is within Children and Young People, reporting a £10.505m overspend. The budget for 2024/25 has been increased to account for these pressures however there remains a risk that this increase may be insufficient by c.£1.5m due to an increase in placement numbers from 115 to 121. This assumes placements number remain at 115 through the 2024/25 year; any increase or decrease would impact the forecast position.
17. The pressures within other directorates have also been accounted for in the 2024/25 budget however there are some risks relating to income. Work is ongoing to review the budgets built in with the outturn information now available to assess if there any areas of opportunity to reduce the budgets. This will be addressed and reported as part of the Quarter 1 suite of reports to September Cabinet.

2024-25 to 2026-27 MTFF

18. The budget report presented to Budget Council on 21 February 2024 included the funding grants totalling £28.127m, taken from the Provisional 2024/25 Local Government Finance Settlement (LGFS) announced on 18 December 2023.
19. On 5 February 2024 the government announced the Final 2024/25 Local Government Settlement, for Bury this included an additional £1.701m of Social Care Grant allocation and an increase of £22k to the Services Grant.

Funding Grants	2023/24	FEB 2024	JULY 2024
	£m	2024/25	2024/25
		£m	£m
Improved Better Care Fund	£7.628	£7.628	£7.628
Social Care Grant	£12.635	£14.894	£16.595
ASC Market Sustainability and Improvement Fund	£3.155	£3.573	£3.573
ASC Discharge Fund	£1.069	£1.783	£1.783
Social Care Grants	£0	£0	£0
New Homes Bonus	£0.053	£0.020	£0.020
Services Grant	£1.456	£0.229	£0.251
Funding Guarantee	£0	£0	£0
Funding Grants	£25.996	£28.127	£29.850
Year % Change		8.20%	14.83%

20. As part of the continuing work to close the budget gap, a further review of fees and charges has been undertaken, subject to Council approval, it is proposed to uplift the fees and charges listed in appendix A.
21. The fees and charges increases are forecast to generate an additional £444k income, split part-year with £259k in 2024/25 and £185k in 2025/26.
22. The 2024/25 to 2026/27 MTFF budget gap presented to Budget Council on 21 February 2024 was £30.085m, including the £1.723m increase in funding grants that were announced too late to incorporate in February budget papers and the proposed increase of £444k in fees and charges, reduces the budget gap by £2.167m to £27.918m as shown in the table below.

Updated MTFF Summary	JULY 2024		
	2024/25 (£000s)	2025/26 (£000s)	2026/27 (£000s)
Budget Gap at February 2024	£15.131	£10.627	£4.327
Increase in Fees and Charges	(£0.259)	(£0.185)	£0.000
Additional Social Care Grant Funding	(£1.701)	£0.000	£0.000
Increase in the Services Grant	(£0.022)	£0.000	£0.000
ANNUAL INCREMENTAL BUDGET GAP	£13.149	£10.442	£4.327
CUMULATIVE BUDGET GAP	£13.149	£23.591	£27.918

2024/25 Budget

23. The budget report presented to Budget Council on 21 February 2024 set out the Council's budget requirement for the 2024/25 financial year and provided details on the Council's reserves position. This process is in accordance with statutory requirements and proper accounting practices.
24. Council approved a net revenue budget of £209.608m for 2024/25, which included an approved use of reserves of £15.131m held within the Non-Service Specific Directorate, to balance the revenue budget.
25. It is proposed that the in-year use of reserves of £15.131m to balance the budget, is re-presented from Non-Service Specific to below funding. This re-presentation not only shows the overall net revenue budget position of £224.739m but each directorate's net revenue budget position, to more accurately reflect the true net revenue budget to deliver the Council services.
26. The table below shows this new re-presentation of the general fund budget that will be used to report against throughout the year.
 - The Feb 2024 column shows the re-presentation of the approved budget.
 - The July 2024 updates the approved budget with the items outlined in section 22 above, of:
 - £4k additional fees and charges income in Corporate Core Services.
 - £255k additional fees and charges income in Operations.
 - £259k reduction in the net revenue budget, from £224.739m to £224.480m
 - £1.723m increase in Government Funding Grants.
 - £1.982m reduction in the use of reserves from £15.131m to £13.149m.

2024/25 Updated Budget	FEB 2024 2024/25 £m	JULY 2024 2024/25 £m
<u>Directorate:</u>		
Health and Adult Care	£87.215	£87.215
Children & Young People	£58.183	£58.183
Corporate Core Services	£28.455	£28.451
Non-Service Specific	£31.097	£31.097
Business, Growth & Infrastructure	£1.225	£1.225
Operations	£18.643	£18.388
Housing General Fund	(£0.079)	(£0.079)
NET REVENUE BUDGET	£224.739	£224.480
<u>Funding:</u>		
Council Tax	(£110.198)	(£110.198)
Business Rates	(£71.282)	(£71.282)
Government Funding Grants	(£28.128)	(£29.851)
FUNDING	(£209.608)	(£211.331)
<u>Use of Reserves</u>		
Budget Stabilisation Reserve	(£15.131)	(£13.149)
USE OF RESERVES	(£15.131)	(£13.149)
BALANCED BUDGET	£0	£0

Reserves

27. In accordance with statutory regulations and CIPFA Guidance, the levels of balances and reserves are reviewed during the budget process to ensure that they are currently sufficient, and that they will remain adequate over the medium-term.
28. The table below shows the forecast year-end balance on reserves from the February 2024 budget report compared to the actual year-end balance on reserves in the unaudited 2023/24 statement of accounts.
29. Overall, the position on general fund and earmarked reserves improved by £3.878m, but when excluding the general fund balance and other statute & ring-fenced reserves, the position improved by £5.883m, significant variations include:
 - Collection Fund: improvement on the budgeted collection fund position and receipts of additional government funding grants.
 - Budget Stabilisation: improvement on the 2023/24 forecast outturn position.

General Fund Reserves	FEB 2024 Forecast Balance at 31 March 2024 £m	Year-End Actual Balance at 31 March 2024 £m	Variance £m
General Fund	(£10.000)	(£10.000)	£0.000
Management of Financial Risk - Corporate	(£4.420)	(£4.010)	£0.410
Management of Financial Risk - Directorate	(£0.164)	(£0.054)	£0.110
Investment Funds	(£0.816)	(£1.518)	(£0.702)
COVID-19 Related Grants	(£1.955)	(£1.872)	£0.083
Earmarked External Funding	(£12.189)	(£11.761)	£0.428
Levies	£0.000	(£0.679)	(£0.679)
Collection Fund	(£4.629)	(£7.194)	(£2.565)
Budget Stabilisation	(£45.297)	(£47.432)	(£2.135)
Insurance	(£3.914)	(£4.664)	(£0.750)
DSG Deficit	(£6.000)	(£6.000)	£0.000
Earmarked Balances Sub-Total	(£79.384)	(£85.184)	(£5.800)
Schools Reserves	(£5.169)	(£3.043)	£2.126
Section 106 Commuted Sums	(£5.958)	(£6.162)	(£0.204)
Total General Fund Reserves	(£100.511)	(£104.389)	(£3.878)

Projected GF Reserves Balance	(£100.511)	(£104.389)	(£3.878)
General Fund	(£10.000)	(£10.000)	£0.000
COVID-19 Grants	(£1.955)	(£1.872)	£0.083
Schools Reserves	(£5.169)	(£3.043)	£2.126
Section 106 Commuted Sums	(£5.958)	(£6.162)	(£0.204)
GF Reserves Balance excluding Statute & Ring-Fenced Reserves	(£77.429)	(£83.312)	(£5.883)

30. At February 2024 Budget Council, it was assumed £15.131m of reserves would be required in 2024/25 to enable the Council to achieve a balanced budget whilst savings are being realised, this has been updated to £13.149m as per section 26.
31. Although, the Secretary of State in his Written Ministerial Statement to parliament on 5 February 2024 in presenting the Final 2024/25 Local Government Finance Settlement,

“asks authorities to continue to consider how they can use their reserves to maintain services over this and the next financial year, recognising that not all reserves can be reallocated, and that the ability to meet spending pressures from reserves will vary between authorities.”

The continuing use of reserves to balance the budget presents an unsustainable position, as such the Council has developed a work plan, detailed later in the report, to reduce the reliance on the use of reserves and to stabilise the Council's finances over the medium-term.

2023/24 Capital Outturn

32. The Capital Programme is set on a three-year rolling basis and the programme for 2023/2024 to 2025/2026 was approved by Budget Council in February 2023, as follows:

2023/24	£127.198m
2024/25	£73.500m
2025/26	£28.630m

33. At the 12 July 2023 Cabinet meeting, a further £17.390m of slippage from 2022/23 was added to the 2023/24 programme, to increase the 2023/24 Capital Programme to £144.588m.
34. Throughout the year, project managers have continued to review their respective capital schemes and have provided scheme updates and re-phased schemes into future years of the Capital Programme to match the anticipated timing of spend, as a result of more up to date information becoming available.
35. As a result of the in-year reviews, the 2023/24 Capital Programme reduced by £69.113m, from £144.588m to £75.475m, which included the inception of £18.007m in relation to grant awards (schools and highways) and the re-phasing of £87.120m into future years (£78.497m into 2024-25 and £8.623m into 2025-26).
36. The table below shows the 2023/24 Capital Programme outturn position of £52.944m (subject to audit), that equals 70% of the revised capital programme total of £75.475m. The main variances of the £22.531m underspend include:
- £6.654m Schools grant allocations.
 - £5.016m Radcliffe Regeneration Levelling-Up scheme.
 - £2.794m HRA Capital Programme.
 - £2.343m Highways Planned Maintenance Programme.
 - £2.324m Streets for All Bury Programme.
 - £967k Vehicle Replacement Strategy.
 - £555k Springwater Park scheme.
37. It is proposed that the slippage of £23.419m on schemes is carried forward into the 2024/25 Capital Programme, that will increase the 2024-25 Capital Programme from £146.928m approved at February 2024 Budget Council to £170.347m, which includes an overall borrowing requirement of £47.553m.

2023/24 CAPITAL PROGRAMME	2023/24 Revised Programme	Actual Spend at Outturn	Actual Spend at Outturn	(Under) / Over spend at Outturn	Proposed Slippage to 2024/25
	£m	£m	%	£m	£m
Capital Expenditure by Theme					
Regeneration and Economic Growth	£11.565	£6.046	52%	£0.000	£5.260
Place Shaping/Growth	£1.326	£0.622	47%	£0.000	£0.950
Sports and Leisure	£4.081	£3.482	85%	(£0.050)	£0.573
Operational Fleet	£3.935	£2.936	75%	(£0.002)	£0.997
ICT and Digital	£0.781	£1.598	204%	£0.871	£0.055
Highways	£17.388	£12.201	70%	£0.000	£5.176
Children and Young People	£12.011	£5.357	45%	(£0.000)	£6.654
Estate Management - Investment Estate	£0.070	£0.000	0%	£0.000	£0.070
Estate Management - Corporate Landlord	£2.642	£1.766	67%	£0.070	£0.946
Older People and Disabled Facilities Grant	£1.676	£2.049	122%	£0.000	(£0.373)
Housing GF	£0.438	£0.457	104%	£0.000	£0.190
Housing HRA	£19.314	£16.311	84%	£0.000	£2.794
Climate Change	£0.247	£0.119	48%	£0.000	£0.128
TOTAL EXPENDITURE	£75.475	£52.944	70%	£0.889	£23.419
Financing the Capital Programme					
Prudential Borrowing	£17.623	£14.912	85%	£0.889	£3.600
External Funding	£36.038	£22.295	62%	£0.000	£13.743
Capital Receipts	£6.651	£2.649	40%	£0.000	£4.002
General Fund RCCO	£1.566	£0.488	31%	£0.000	£1.078
Housing Revenue Account DRF/MRR	£13.597	£12.600	93%	£0.000	£0.997
TOTAL FINANCING	£75.475	£52.944	70%	£0.889	£23.419

Finance Improvement Plan

38. In 2023 the Council began a voluntarily commissioned finance improvement journey, independent advice was sought from CIPFA; an Improvement Board was established, and an experienced interim S151 Officer was engaged, to determine and lead a holistic programme of improvement.
39. A Peer Review by the LGA in December 2024 validated the improvement work to date and confirmed that work so far and the wider improvements proposed had the potential to stabilise the council's position.
40. The programme of ongoing work required was agreed to include systems, processes, policy/guidance and training. Specific deliverables for the next financial year include:
 - Completing the work to balance the 2024/25 budget.
 - A fundamental update of the council's ledger, via the upgrade and cloud migration of Unit 4.

- Conclusion of legacy accounting procedures in particular internal recharges.
- Strengthening the governance of the capital programme.
- Developing the skills and resources available for both finance business partners and departmental budget holders.
- Producing finance procedure rules.

41. Further detail on the finance improvement journey is provided in Appendix 2

2024/25 In-year Workplan

42. Workplan for the next MTFS update report:

- Undertake Star Chamber for each Directorate to review:
 - All budget headings & identification of recurring under/overspends based on the 2023/24 outturn position.
 - Review of establishment costing, structures and pay awards assumptions.
 - Review contracts and Annual Price Increases (APIs) uplifts.
- Rationalisation of the chart of accounts to include:
 - The identification of headings where budgets can be centralised & recharges removed.
 - To introduce a central support service recharging model.
- Refresh of the sales, fees and charges register.
- Updating of the Collection Fund position, to include a review of collection rates, debt recovery and taxbase assumptions.
- Continuing the review of the Capital Programme with project managers to de-clutter/rationalise & re-phase the programme and update the cost of borrowing assumptions.
- Develop a medium-term savings plan.
- Sensitivity and scenarios analysis modelling.

43. As stated in section 17 above, an MTFF update will be reported as part of the Quarter 1 suite of reports to September Cabinet.

Links with the Corporate Priorities:

44. Financial management is a key part of the council's overall governance and control arrangements and the close monitoring of agreed income and expenditure; revised forecasts of future budget pressures and opportunities; and regular reporting of these issues underpin the council's three clear corporate priorities as set out in the Let's Do It Strategy that will deliver financial sustainability for the Council.

Equality Impact and Considerations:

45. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:
A public authority must, in the exercise of its functions, have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
46. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.
47. Included within this report are proposed increases to fees and charges as identified in section 21 and Appendix 1, an Equality Impact Assessment has been produced (link below).

[EqIA - Cabinet Report MTFS Update June 2025.docx](#)

Environmental Impact and Considerations:

48. This is a finance update report as such there are no environmental impacts associated with this report.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The Council has insufficient funds to support its expenditure.	Regular reporting and tight budgetary control by budget holders support the Council in managing the overall financial risks and financial planning for the Council.

Legal Implications:

49. Members are asked to make two recommendations to Council. These recommendations relate to decisions which are reserved to Council under the Council's constitution, namely amendments to the Council's financial revenue budget and capital expenditure programme. If Members are minded to agree to an increase in fees and charges, the Monitoring Officer and S151 officer will review the schedule and ensure all relevant consultations will be carried out prior to any increases being implemented.

Financial Implications:

50. The financial implications are included within the Report.

Appendices:

Appendix 1: Fees and Charges

Appendix 2: Finance Improvement Plan

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

[The Council's Revenue Budget and Medium Term Financial Plan](#)

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
MFFF	Medium Term Financial Forecast
LGFS	Local Government Finance Settlement
CIPFA	Chartered Institute of Public Finance and Accountancy

Appendix 1: Fees and Charges

Directorate	Service	Fees & Charge Description	2024-25 Budget	Uplift	Additional Income	2024-25	2025-26
Corporate Core Services	Legal Services	Administration Charges	(£93,800)	6.70%	(£6,000)	(£4,000)	(£2,000)
Operations	Arts & Museums	Museum & Tourist Information Centre Fees	(£61,900)	6.11%	(£4,000)	(£2,000)	(£2,000)
Operations	Commercial Services	Markets Fees	(£2,564,400)	4.98%	(£128,000)	(£75,000)	(£53,000)
Operations	Engineers	Traffic Management Fees	(£665,000)	3.66%	(£24,000)	(£14,000)	(£10,000)
Operations	Facilities Management	Administration Property Rents	(£370,800)	5.77%	(£21,000)	(£12,000)	(£9,000)
Operations	Health & Environmental Protection	Environmental Services (Public Protection) Fees	(£36,400)	1.40%	(£1,000)	(£1,000)	£0
Operations	Health & Environmental Protection	Licensing	(£451,600)	6.34%	(£29,000)	(£17,000)	(£12,000)
Operations	Health & Environmental Protection	Private Rental Sector Enforcement Fees	(£57,300)	11.50%	(£7,000)	(£4,000)	(£3,000)
Operations	Health & Environmental Protection	Trading Standards Fees	(£24,600)	4.80%	(£1,000)	(£1,000)	£0
Operations	Street Scene Maintenance	Pest Control Fees	(£196,100)	5.46%	(£11,000)	(£6,000)	(£5,000)
Operations	Waste, Transport & Stores	Transport Fees	(£122,200)	1.99%	(£2,000)	(£1,000)	(£1,000)
Operations	Waste, Transport & Stores	Waste Fees	(£1,107,400)	3.62%	(£40,000)	(£23,000)	(£17,000)
Operations	Wellness	Bereavement Services Fees	(£487,900)	5.79%	(£28,000)	(£16,000)	(£12,000)
Operations	Wellness	Leisure Facilities Fees	(£2,564,200)	5.40%	(£138,000)	(£81,000)	(£57,000)
Operations	Wellness	Libraries & Archives Fees	(£33,500)	6.18%	(£2,000)	(£1,000)	(£1,000)
Operations	Wellness	Parks Fees	(£28,900)	5.23%	(£2,000)	(£1,000)	(£1,000)
TOTAL			(£8,866,000)	5.01%	(£444,000)	(£259,000)	(£185,000)

Appendix 2: Finance Improvement Plan

In 2023 the Council began a voluntarily commissioned finance improvement journey. The action was taken because:

- A significant investment was required in children's social services to mitigate years of under investment which had resulted in an inadequate judgement of social care services in 2021. An uplift of over 34% on the departmental budget (34%) was arranged, which threatened to destabilise the rest of the council's budget.
- A series of independent advisors highlighted the weakness of the finance function itself and budget management generally.
- An in-year overspend of over £10m was forecast due partly because of the impact of the uplift required to the children's services' budget but also delays in achieving some savings targets and the impact of inflation running at c11% during the year, which had uplifted the majority of the council's operating costs.

Independent advice was sought from CIPFA; an Improvement Board was established and an experienced interim S151 Officer was engaged, to determine and lead a holistic programme of improvement. Under the leadership of this team:

- The Treasury strategy has been updated to maximise the return on council investments including realising some immediate savings.
- Every departmental budget has been reviewed, with demand adjustments made where necessary.
- The reserves strategy has been updated and c.£70m of one-off resources identified to support the revenue budget if necessary. With the benefit of this stability a three-year MTFS was updated and the 2024/25 budget set.
- Advisors have been engaged to upgrade Unit 4 and all associated processes.
- A review of procurement processes has begun including remapping the purchase to pay process and clarifying contract procedure rules. The work will now interface with the development of finance procedure rules, as described below.
- The job of S151 has been redesigned to assimilate the finance function with the Department of Corporate Core services to ensure integrated corporate strategy through the leadership of a single Executive Director. The S151 post has been redesignated at Director level, reporting operationally to the ED for the Corporate Core and substantively to the CEO in order to significantly strengthen leadership oversight. A new substantive S151, Neil Kissock, took up post on 1 July.

A Peer Review by the LGA in December 2024 validated the improvement work to date and confirmed that work so far and the wider improvements proposed had the potential to stabilise the council's position. The programme of ongoing work required was agreed to include systems, processes, policy/guidance and training. Specific deliverables for the next financial year include:

- Completing the work to balance the 2024/25 budget.
- A fundamental update of the council's ledger, via the upgrade and cloud migration of Unit 4.
- Conclusion of legacy accounting procedures in particular internal recharges.
- Strengthening the governance of the capital programme.

- Developing the skills and resources available for both finance business partners and departmental budget holders.
- Producing finance procedure rules.

The Finance Improvement Board will be retained to oversee the ongoing work described above, with a new Chair to be identified by the new S151 who may also support their professional development as part of their induction to the council.